Daily Report

Latin America

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Malaysian Minister Addresses Economic Seminar

BK1308134995 Kuala Lumpur NEW STRAITS TIMES in English 11 Aug 95 p 24

[FBIS Transcribed Text] [No dateline as published] Malaysia hopes that Mercosur, the Southern Cone Common Market encompassing Uruguay, Brazil, Argentina and Paraguay, will further stimulate economic growth among the members as well as adopt an open approach towards trade with countries outside the region, International Trade and Industry Minister Datuk Sri Rafidah Aziz said.

By adopting an open-regionalism approach, regional groupings such as Mercosur and Asean would also benefit countries outside their regions as a result of increased economic activities within their regions, she said.

Such an approach would also invariably create greater demand for goods and services from outside the region, she said at a seminar on Business opportunities in Malaysia in Montevideo, Uruguay, yesterday. The text of her speech was released here.

Rafidah is leading a Malaysian trade and investment delegation to Uruguay to promote bilateral trade. Besides the Uruguayan visit, she will also visit three other South American countries — Brazil, Chile and Colombia.

Saying that the timing of the seminar was appropriate given the favourable environment created by recent developments in Uruguay through numerous trade and investment liberalisation measures, she added that the scope for increased trade among countries of the South was immense.

This was especially so with many South countries currently at various phases of undertaking trade and investment liberalisation measures with the view to opening up to global competition, she said.

"The benefits of the open global trading system now clearly understood by an increasing number of countries of the South evidenced by the active support shown by many developing countries in the run-up to the Uruguay Round Multilateral Trade Negotiations," she said.

On bilateral trade between Malaysia and Uruguay, Rafidah said the growing per capita income of both countries provided opportunities for both business communities to prosper.

This, she said, could further stepped up if the business communities of the two countries complemented each other's comparative advantages capitalising on their strengths.

Their cooperation could extend beyond the shores of the two countries by incorporating joint ventures in third countries, she added.

Trade between Malaysia and Uruguay increased significantly over the last decade, increasing from a total trade of only $1.24 million (about RM [Malaysian ringgit] 30.38 million) in 1985 to $11.1 million last year. The balance of trade is currently in Malaysia's favor with a trade surplus of $10 million.

Speaking at the signing of the trade agreement promotion and protection of investments between Malaysia and Uruguay later, Rafidah said Malaysia had so far signed 38 trade agreements and 45 investment guarantee agreements.

Uruguay is the fourth Latin American country to sign a trade agreement with Malaysia after Argentina, Chile and Venezuela and the third to sign the investment guarantee agreements after Chile and Argentina.

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Castro To Attend Caribbean Region Summit, Carifesta

FL1208144795 Bridgetown CANA in English 1414 GMT 12 Aug 95

[FBIS Transcribed Text] Bridgetown, Barbados, Aug 12, CANA — Cuba's President, Fidel Castro, is among heads of state and government to attend a 25-nation Caribbean region summit and the opening of the Sixth Caribbean Festival of Arts (Carifesta) in Trinidad and Tobago.

Organisers of the first-ever Summit on Tourism, Trade and Transportation of Caribbean and Latin American countries said that Castro and the President of Mexico, Ernesto Zedillo, will be in Trinidad for the August 17-18 Summit.

The Cuban President has also accepted an invitation from Trinidad and Tobago Prime Minister Patrick Manning to attend the colourful gala presentation of the Sixth CARIFESTA, the region's premier cultural event, opening next Saturday night.

The Summit on Tourism, Trade and Transportation will mark the biggest gathering of Caribbean and Latin American government representatives since the inauguration a year ago, on July 24, in Colombia of the 25-nation Association of Caribbean States (ACS).

The ACS tri-sectoral summit will also be the single biggest event involving heads of government and top ministerial representatives since last December's Summit of the Americas - hosted by President Bill Clinton in Miami - from which Cuba was the only hemispheric nation excluded.

The forthcoming visit by Castro to Trinidad and Tobago will be his second to a Caribbean Community member country in 15 months.

In May last year he was in Barbados for the United Nations Conference on Sustainable Development of Small Island Developing States (SIDS) and was a guest of the Barbados Government of then Prime Minister Erskine Sandiford.

Castro's first brief appearance in Trinidad and Tobago was in 1973 on his way to the Fourth Non-Aligned Movement (NAM) Summit in Algiers.

Then Prime Minister Dr Eric Williams hosted an airport meeting for Castro and CARICOM leaders of Jamaica, Guyana and Barbados who, along with Trinidad and Tobago, had jointly established diplomatic relations with Cuba the previous year.

Castro's visit to Trinidad and Tobago for the ACS summit and CARIFESTA comes at a time of strengthening of relations between Cuba and the 14-member Caribbean Community (Caricom).

Reliable sources in the Ministry of Foreign Affairs in Port-of-Spain have told CANA that Cuba and Trinidad and Tobago have reached an agreement for Havana to establish a full-fledged diplomatic mission in the oil-producing Caricom state.

Cuba already has embassies in Jamaica, Guyana and Barbados and diplomatic relations with all of the independent CARICOM states.

Within the context of a Caricom-Cuba Joint Commission for co-operation, Cuba has agreed to provide accommodation in Havana for a Caricom-Cuba Trade and Investment Office.

Central American Foreign Ministers Discuss Security Bill

PA1408030095 San Salvador LA PRENSA GRAFICA in Spanish 9 Aug 95 p 19A

[Report by Gerardo Lopez]

[FBIS Translated Text] The countries of Central America are seeking to define a model of security, one that abolishes the military force and makes use of democratic institutions, in order to avoid armed conflicts and find an overall and peaceful solution to the problems that may arise in the region.

The Central American Security Commission, which met yesterday in San Salvador, discussed the draft of the "Democratic Security Treaty" prepared by Nicaragua with the support of the Central American Integration System (SICA) and topics regarding the war on drug trafficking and the security of citizens.

Salvadoran Deputy Foreign Minister Victor Manuel Lagos said the treaty would serve to handle the causes of problems, which often are not political or military but of a social nature. "The area presidents understand that the security of the zone is not solely based on a reasonable balance of military forces but in the development of individuals and the defense of the environment," he noted.

He explained that the countries can help each other with the treaty in preventing a series of crimes such as car thefts, gunrunning and distribution of weapons, corruption, and others. The objective of the agreement is that it become another element of the Central American legal framework that was created with the Tegucigalpa Protocol that gave rise to SICA.

Lagos noted that the treaty would be aimed at avoiding the causes of conflict among the countries that may

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jeopardize the peace in Central America "that has cost so much to achieve...." "We want to demonstrate that the region will not resort to war to solve problems among nations since we have a commitment with future generations," he affirmed.

According to the members of the Drug Trafficking Commission, money laundering, car thefts, and gunrunning undermine regional security and must be faced with the cooperation of all.

Meanwhile, Nicaraguan Deputy Foreign Minister Jose Pallais explained that the bill reflects a step forward in the process of creating institutions and tries to implement a new model of security.

Pallais stated that with the signing of the agreement Central America will become the first region in the hemisphere to adopt this kind of overall security.

"There can be no guarantee of democracy in the region without a strong development," which is why it is important to guarantee security to Central Americans "under the overall concept," he noted.

Honduran Mario Fortin, adviser of the Directorate of Central American Affairs, said that the bill will offer security to all the states and residents of the region. According to Fortin, greater understanding and cooperation will be made possible to fight crime and forecast a better future on the eve of the new millennium.

The bill, which was submitted last July and contains 22 chapters, was discussed yesterday but its approval may become effective at the end of the year.

Douglas Notes RSS's Potential for Expansion

FL1103154995 Bridgetown CANA in English 1456 GMT 11 Aug 95

[FBIS Transcribed Text] Castries, St. Lucia, Aug 11, CANA — Chairman of the Regional Security System (RSS) Kittitian Prime Minister Denzil Douglas said that the organisation has tremendous potential for expansion with more Caribbean Community (CARICOM) countries expressing an interest in joining.

Douglas told CANA at the end of an RSS Council of Ministers meeting in Castries Thursday that the interest expressed by Suriname and Belize, was discussed by the Council.

"We needed to ensure that the Council is aware of this possibility, so it was discussed with the intention of responding quickly to a formal request," Douglas said.

The RSS was established just over ten years ago to deal with drug interdiction, or respond to emergencies such as natural disasters and insurrections against democratically-elected governments.

It currently serves Barbados and the Organisation of Eastern Caribbean States (OECS) and is financed by member countries, the United States, the United Kingdom and Canada.

"We see this as an indication that there is potential for expanding the system, making the sub-region more capable of carrying out its charter obligations," he said.

Douglas also said that the RSS was on standby to assist with evacuation or any other problems that may arise from the potential eruption of the volcano in Monsterrat.

The Council Chairman said that a package of additional assistance from the US Government was now on hold as member countries seek to change their current association with the US from one of a bilateral arrangement to a treaty obligation.

"The US has indicated that it preferred to deal with us on a collective basis rather than bilaterally as was done in the past.

"We have been given the assurance that as soon as we have put a treaty arrangement in place, assistance in manpower training, finance, and equipment will be provided to continue our fight in the counter narcotics trade," the Council Chairman said.

He disclosed that the Eastern Caribbean was also willing to consider an extradition treaty with the US, similar to the one now enjoyed between Barbados and the US.

"We believe that with continued vigilance, manpower training, finance and equipment we too can be successful in counter narcotics activity in the RSS," he said.

OAS Assistant Secretary General To Attend Caribbean Summit

FL1108212795 Bridgetown CANA in English 1948 GMT 11 Aug 95

[FBIS Transcribed Text] Washington, Aug 11, CANA — Assistant Secretary General, Ambassador Christopher R. Thomas will lead the Organization of American States (OAS) delegation to the first summit of the Association of Caribbean States (ACS), to be held in Trinidad and Tobago, August 17-18, 1995. The ACS is a grouping of 24 nations from the wider Caribbean and Central America along with Mexico, Colombia and Venezuela. The summit is devoted to discussion on the issues of tourism, trade and transportation. Ambassador Thomas will also lead the OAS delegation at a preparatory meeting of ministers of the ACS, to be held on Wednesday, August 16, in Trinidad. The OAS has played an active role in the consultations and preparatory work leading up to the summit, particularly in the areas of tourism and trade. Other members of the OAS delegation are Lorne

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McDonough, Acting Executive Secretary for Economic and Social Affairs; Dr. Joseph Campbell, OAS Director in Trinidad and Tobago; Dorell Callender, Special Technical Assistant for the Caribbean; Claude Larreau, Senior Specialist, Department of Regional Development and Environment and Wesley Kirton, Specialist, Department of Public Information. The OAS will also be represented at a meeting of officials, to be held Monday and Tuesday in Trinidad. Mr. Lorne McDonough will lead the OAS team at this meeting.

Belizean, Guyanese Officials To Inaugurate OAS Office

FL1308202895 Bridgetown CANA in English 1603 GMT 13 Aug 95

[FBIS Transcribed Text] Washington, D.C., Aug. 13, CANA — Belize Deputy Prime Minister and Minister of Foreign Affairs, Dean Barrow; and OAS Assistant Secretary General Christopher Thomas will be main speakers at the official opening of the OAS office in Belmopan, Belize, on Monday.

Belize and Guyana are the newest members of the hemispheric body, having joined the organisation in 1991. Since joining the OAS, Belize has played a major role in the work of the organisation and has served as a vital link between the Central American and Caribbean member states.

Also participating in the official opening ceremony will be Belize's permanent representative to the OAS, Ambassador Dean Lindo, and permanent secretary in the Belize Foreign Ministry, David Gibson.

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Cuba

Foreign Ministry Spokesman on Relations with U.S.

PA1108185695 Havana Radio Havana Cuba in Spanish 1300 GMT 11 Aug 95

[From the "Morning Information Review" newscast]

[FBIS Translated Text] Cuban Foreign Ministry Spokesman Rafael Dausa has announced the participation of Foreign Minister Roberto Robaina in the summit meeting of the Association of Caribbean States [ACS], which will be held in Trinidad and Tobago on 17 and 18 August. He said President Fidel Castro was invited to participate, but his presence as leader of the largest of the Antilles islands has yet to be confirmed.

Dausa told newsmen that U.S.-Cuban relations have not changed a bit, because the United States has stiffened the blockade against the island, is maintaining the 20 August prohibitive measures, and has stated outrightly that it will use the so-called Track Two of the Torricelli Law for subversive ends.

The Foreign Ministry spokesman also said that Cuba will not accept the German medicines deposited in the free zone of Colonia, Uruguay, because the expiration date of the majority of the medicines has passed. After thanking the German company and the Ministry of Housing and Environment of Uruguay for their disposition, Dausa said Cuba is a signatory of the Basilea agreement on chemical and toxic waste, for which reason it cannot accept such medicines.

Commentary on CIA Action in Guatemala

PA1308131695 Havana Radio Havana Cuba in Spanish 0000 GMT 13 Aug 95

["Our America" commentary read by Amalia Sanmartino from the "Evening Information Review" newscast]

[FBIS Translated Text] Following three decades of armed conflict, during which intelligence services were synonymous to systematic human rights violations, there is fear that many such crimes will go unpunished to cover up the intervention of the world's largest intelligence office, the Central Intelligence Agency, CIA, in Guatemala. Guatemalan President Ramiro de Leon Carpio said the CIA must release the official reports or, in other words, declassify the documents containing information about the murders of U.S. businessman Michael Devine and Guerrilla Commander Efrain Bamaca. The president added that this is the only way the deaths will be clarified. The businessman died in the northern department of Peten in 1990 and Bamaca was wounded and captured during combat and later tortured and killed.

These two cases gained prominence and continue to be disquieting news for the Guatemalans, due to the persistence of Bamaca's widow, U.S. citizen and attorney Jennifer Harbury. Senator Robert Torricelli accused Guatemalan Colonel Julio Roberto Alpirez of having masterminded the two crimes and having been on the CIA payroll for years. Fastings, vigils, and repeated protests by Bamaca's widow drew attention to Guatemala and the alleged CIA participation in these notorious cases of violent deaths, as well as its intervention in the country's civil war. Interfering in the internal affairs of other countries has never bothered the CIA. The Guatemalan case, however, is not the first time this U.S. espionage organization has been accused of sticking its nose into the domestic affairs of others and, furthermore, of playing the role of a teacher of repression. [de hacer de maestra de la represion].

Jennifer Harbury asked for the Bamaca case documents to be declassified on several occasions, as did outgoing Attorney General Julio Arango, who was in charge of the investigation. Although the CIA recently completed a report with nearly 700 pages, it only released a four-page summary. THE WASHINGTON POST, which published the report, called it insufficient. President Ramiro de Leon Carpio, who was Guatemala's human rights ombudsman before becoming president, said the CIA must explain its intervention in these repeatedly denounced cases.

It is no secret that the CIA, its employee Alpirez, and the top-ranking commanders of the Guatemalan Army have worked for a common cause for the last 30 years. CIA agents are offered classes — if one can call them that — in torture, kidnapping, and extortion techniques to a majority of Latin America's armed forces, as well as all other forms and varieties of repression. The main objective of these lessons — which, by the way, the students have learned quite well — is to ensure that the dominating classes remain in power. For this, they must train the army that will be the support and backbone of these dominating sectors.

Over these years of intervention, pressure from governments and populations has grown by the day. It is no surprise, then, that the Guatemalan President should join — although still a little late — the efforts of his country's humanitarian and progressive sectors to have the CIA explain its intervention over so many years of armed conflict.

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Ecuadoran Envoy Cited on Progress of Bilateral Relations

PA1308192995 Havana Radio Havana Cuba in Spanish 0000 GMT 9 Aug 95

[From the "Evening Information Review" newscast]

[FBIS Translated Text] In Havana, Ecuadoran Ambassador to Cuba Ramiro Silva del Pozo has spotlighted the satisfactory progress of bilateral relations and in this regard he has stressed the medium-term trade agreement both countries signed recently.

At a meeting with the news media on the upcoming 10 August celebration of the 186th anniversary of Ecuador's first cry of independence, Silva del Pozo said the agreement includes the selection of 150 products from each country for introduction into either country's market. He has also said Cuban Foreign Trade Minister Ricardo Cabrisas' coming visit to Quito in November will help to strengthen ties even more in various sectors, such as agriculture and industry.

Russia Reiterates Resolve To Construct Nuclear Power Plant

PA1308204295 Havana Radio Havana Cuba in Spanish 0000 GMT 9 Aug 95

[From the "Evening Information Review" newscast]

[FBIS Translated Text] Russia's Atomic Energy Ministry has reiterated its resolve to continue cooperating with Cuba to construct the Juragua nuclear power plant in Cienfuegos Province. (Georgy Kauros), the Atomic Energy Ministry spokesman, has rejected U.S. pressures to prevent the construction of the plant and has said these pressures stem from political purposes. Meanwhile, he has said the Cuban Government has the approval of the International Atomic Energy Agency.

In his statements to the Russian news agency ITAR-TASS, (Kauros) has invited Washington to join cooperation efforts with Havana to construct Juragua if the United States is concerned with the security of its territory.

The Russian official has announced the concession of a $30 million loan for Cuba to acquire auxiliary equipment for the Juragua plant. On repeated occasions, Cuban authorities have denied the Cienfuegos reactors are similar to those of Chernobyl and have insisted the construction can endure the fall of a 20 ton plane or a tornado with a force up to 1,600 kg per square meter.

Panel Discusses Juragua Nuclear Power Plant

FL1108170495 Havana Radio Rebelde Network in Spanish 1600 GMT 10 Aug 95

["Straight Talk" program with host Osvaldo Rodriguez and guest Jorge Pettinau]

[FBIS Translated Text] [Rodriguez] Is the Juragua nuclear plant a threat to U.S. territory? That is the issue we are going to discuss with Jorge Pettinau, a correspondent who specializes in nuclear issues. Pettinau, as we had promised our listeners yesterday, let's discuss the reasons for all this hassle from certain U.S. sectors regarding safety at Juragua. Yesterday, we discussed everything regarding security measures at the plant. I think that all the information you gave yesterday and much more is already in the hands of U.S. authorities, especially, in hands of those who are directly involved with nuclear issues. Therefore, I propose that today we talk about the possible threats they keep talking about.

[Pettinau] The first threat that I see is that Florida's extreme right wing was [pauses] or the U.S. government did not consider them when it signed the immigration agreement with Cuba. They felt rejected. Now, they have taken up this issue, which allows their voices to be heard. The extreme right in the United States — the subsidiary of these people — were also in a poor light, due to the Oklahoma bombing. Both, have found an issue through which to confront the Clinton administration in a manner in which they will gain followers, especially as they get nearer to the elections. This is the reason for all this hassle right now. Now, regarding safety measures, they are concerned about our nuclear plant, as I explained yesterday, which has all the required security measures. A plant under construction... [pauses] It is being maintained because construction was stopped, therefore there is no nuclear fuel. However, Osvaldo, I have some facts here with me.

In 1987, approximately 18 nuclear plants were in operation with 35 reactors, 20 of which were of similar technology to that of Juragua. I mean, a light water-pressured reactor. These used in states like Florida, Alabama, Mississippi, Georgia, Tennessee, North Carolina, and South Carolina, among others. All of these are near Cuba.

[Rodriguez] Especially, those in Florida.

[Pettinau] Yes, very near. Talking about Florida, let me add one more thing. The Turkey Point nuclear plant is in Florida. I will not talk about any other, just about Turkey Point. It is the one nearest to Cuba because of its location in southern Florida. In March 1987, one of its reactors was shut down due to problems with one of

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its valves, which is part of the safety measures used to control radioactive leaks. U.S. authorities did not know when the breakdown had occurred.

[Rodriguez] What is your source of information?

[Pettinau] NUCLEAR NEWS, a magazine specialized in nuclear issues published in the United States. In July 1989, the magazine also informed that Turkey Point's reactors 3 and 4 had been placed in the so-called category 2, during three years. This is a category given by the U.S. Nuclear Regulatory Commission. I would like to point out that this commission is very serious and qualified, even our safety specialist studied their work to apply their experiences here in Cuba.

[Rodriguez] What is category 2?

[Pettinau] It is a category given to areas where, due to safety reasons, operations can only continue under strict control.

[Rodriguez] Does it means that there is danger?

[Pettinau] Yes, there is danger. According to the information, the commission had warned that if this category was to be renewed again it could be cause for ordering operations to stop.

[Rodriguez] It appears that we have been in danger of a nuclear accident, without even having a nuclear plant. Am I right?

[Pettinau] I would not go so far as to say that. But I might say that there have been some operational problems, and also problems involving people — I will address this issue later — which had prompted the Nuclear Regulatory Commission, a very serious, demanding, and really qualified organization, to take measures, and make certain demands on Turkey Point's management.

[Rodriguez] Going back to Turkey Point, and after having discussed its technical aspects, I invite you to address the human involvement, as we have done with Juragua plant. Is Turkey Point staffed by qualified and skilled people?

[Pettinau] I believe that the United States, having 112 reactors in operation, and given its vast experience in the training of nuclear professionals, has adequately trained the plant's specialists.

However, I mentioned NUCLEAR NEWS July 89 report, and also, there was a report in March 1989 about 24 Turkey Point workers licensed to operate the control rooms, who were tested to evaluate their qualifications. Eleven workers totally or partially failed the test. Thereby, Florida Power and Light, which owns Turkey Point, had to stop unit number 3, to find a solution to this situation.

[Rodriguez] Then we can say that there have been serious personnel problems.

[Pettinau] I mentioned just some random problems. ABC, a news agency, and U.S. newspapers have published several reports on the plant, which happens to be precisely in Florida, home of the Congress members who are now worried about Juragua, instead of being concerned about Turkey Point. The existence of problems was public knowledge. I believe that Florida voters should be worried about these problems — if there were to be any fair and valid scientific- technical concerns — instead of being anxious about a plant that is not on U.S. soil, and which does not even have any fuel yet.

[Rodriguez] You were speaking about a campaign against the plant, and mentioned the ultra right wing, and the Cuban exiles sectors who are enemies of the Cuban Revolution.

[Pettinau] I was talking about the Cuban exiles' ultra right sector.

[Rodriguez] Indeed, we have talked about the exile community in Straight Talk in the past, and when we talk about the exiles we always mean the parasites [gusanos].

[Pettinau] Exactly, parasites is the proper term.

[Rodriguez] But the U.S. ultra right wing is also involved in the campaign against Juragua. So far, we have discussed politicians, yet, I would like to know if U.S. specialists, the qualified people who know about possible dangers, are also active in the campaign.

[Pettinau] No, U.S. scientists and technicians, maintain a very correct and respectful exchange with their Cuban counterparts, who have even been invited to meetings several times in 1991, 1992, 1993, and 1994. Some comrades were also invited to this year's meeting for a professional exchange on the U.S. and Cuban programs.

[Rodriguez] Yet, I once read in the papers that some Cuban officials were not authorized to travel.

[Pettinau] It happened more than once. Comrades were not authorized to travel during four years, which comes to show that there is a political instead of a scientific agenda behind the scene. The meeting's organizers planned to have a full morning session dedicated to cover the Cuban nuclear plan, yet, Cuban experts were denied visas.

On one occasion, U.S. authorities gave a very ridiculous excuse: they accused Cuban experts of being spies for

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Castro's government. The U.S. press labeled Dr. Alejandro Bilbao Alfonso — a renown expert worldwide, and engineer (Rafael Soler Dechapes), who was Juragua's director at the time, as spies. This is a clear indication of prevailing political goals, instead of humanitarian or scientific-technical concerns.

I would go even further. Forgive me for extending the argument, but I want to be very specific. I think that The United States is also worried that U.S. nuclear businessmen might join the people who fight against the blockade on Cuba.

[Rodriguez] We have agreed that the Cuban nuclear plant and program do not threaten the safety of U.S. territory. We know that Cuban experts have been denied authorization to travel, yet, U.S. experts have been invited, and have visited Cuba. Right?

[Pettinau] I could say that there has been a kind of fluctuating reciprocity. On one occasion, two Cuban experts visited (McGuire) nuclear power plant in Florida. The plant belongs to Mr. William Lee, who later visited Juragua.

[Rodriguez] Perhaps he is one of those who might feel threatened by Juragua due to its proximity. What was his opinion of what he saw during his visit?

[Pettinau] Do we have time to read what William Lee said? I have his comments with me.

[Rodriguez] Of course.

[Pettinau] I interviewed Mr. Lee, and he stated: We are favorably impressed by the dedication, commitment, and thorough training of Juragua's personnel. It would be impossible to conduct a detailed inspection, and make an extensive evaluation during a few hours' visit. However, I have been building and operating energy plants for several years, and I am pleased with what I saw in Juragua. I am particularly impressed by the emphasis in quality, training, nuclear safety, and environment protection. We verified the qualifications of the many inspectors who are currently in charge of quality control, and witnessed a commitment to achieve excellency. I noticed an atmosphere of understanding, a clear vision of what is needed, and commitment to do an excellent job. I have a great trust, which exceeds the trust I felt when our first plant was about to open.

[Rodriguez] William Lee's statement is very interesting. Perhaps his views should lead a campaign to help Juragua, to replace this negative campaign to stop the plant. The solution is somewhat similar to the Cuban story which calls for getting rid of the sofa, because ....[changes thought] These people recommend stopping the construction of Juragua.

[Pettinau] Yes. The people who recommend stopping Juragua, the same people who support the Helms-Burton bill, are those who do not want Cubans to have electricity, food, medicine, and wish to starve us all to death. It is the truth.

[Rodriguez] I agree. Undoubtedly, there are certain political and economic issues behind the plant's construction. Before ending our program today, I would like to discuss how the blockade affects Juragua. Perhaps we could continue to discuss the effects of the blockade on the plant's construction tomorrow.

[Pettinau] We can end this program as (Felix Decanis) ended his novels. I will end saying that U.S. businesses are the ones mostly affected by Juragua.

[Rodriguez] I think that you are right. Our discussion proves that so far there is no threat to anybody.

[Pettinau] I hope that listeners tune in tomorrow to hear our program with the same interest they showed today.

[Rodriguez] Tomorrow we will discuss the effect of the U.S. blockade on Juragua nuclear power plant.

[(Pettinau)] And its effect on U.S. businessmen who are perhaps also interested in Juragua.

[Rodriguez] Thank you.

Haiti

Presidential Order Calls People To Vote 13 Aug

PA1108201695 Port-au-Prince Signal FM Radio in French 1030 GMT 10 Aug 95

[From "The Waking Up Newscast"]

[FBIS Translated Text] By presidential order dated 8 August, the Haitian people are called to go to the polls on 13 August from 0600 to 1800 in order to carry out the supplementary elections due to the [words indistinct] to vote in certain communes on 25 June. These partial elections are due to be held in eight of the nine departments where blatant irregularities were noted during the elections of 25 June 1995.

Prime Minister's Order Reshuffles Ministerial Cabinet

PA1208144895 Port-au-Prince Signal FM Radio in French 1030 GMT 12 Aug 95

[From "The Waking Up Newscast"]

[FBIS Translated Excerpt] The first item in the news is the reshuffle of the ministerial cabinet. The Ministry of Information, Coordination, and Culture has informed the public in general and the press in particular of the

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following important order by Prime Minister Smarck Michel, dated 11 August 1995:

In light of Articles 133, 137, 155, 156, 159.1, 162, 163, 166, 168, 169, and 169.1 of the Constitution; in light of the 8 November 1994 order by the president of the Republic appointing the prime minister; in light of the 8 November 1994 order by the prime minister appointing the members of the ministerial cabinet; in light of the resignation of the ministers of the environment, public works, social affairs and labor, and commerce—that is, Antoine Verdier, Anthony Barbier, Enold Joseph, and Maurice Lafortune—and considering that there is good enough reason to appoint the new ministers of the environment, public works, social affairs and labor, and commerce: (Yves Andre Wenwright) is appointed environment minister; Jacques M. Debrosse is appointed public works minister; Mathilde Flambert is appointed minister of social affairs and labor, and Roger Perodin is appointed commerce minister.

This is an order signed by Haitian Prime Minister Smarck Michel and approved by President of the Republic Jean-Bertrand Aristide.

We are making it a point to inform you that Anthony Barbier, minister of administration and public service, has officially resigned from this post in order to express, according to his own words, his disagreement with the results of the 25 June elections, the validity of which several political parties are contesting. In a letter he has written to Prime Minister Smarck Michel, Barbier, a member of the national management of the Nationalist Progressive Revolutionary Party of Haiti, Panpra, has stated that the multiple irregularities and frauds that marred the credibility of the 25 June elections have led his party to contest their results. [passage omitted]

Appoints 4 New Ministers

PA1308130295 Mexico City NOTIMEX in Spanish 0000 GMT 13 Aug 95

[FBIS Translated Text] Port-au-Prince, 12 Aug (NOTIMEX) — Haitian Prime Minister Smarck Michel today appointed four new cabinet ministers on the eve of the complementary elections for legislators and governors.

Michel issued a decree this Saturday appointing Jacques Debrosse as public works minister, replacing Anthony Barbier who resigned last Wednesday.

Mathilde Flamber was elected to replace Enold Voltaire as social affairs minister. Flamber belongs to the National Front for Change and Democracy (FNCD), which challenged the results of last 25 June elections.

The Haitian prime minister also appointed Yves Andre Wainright as the new environment minister, replacing Antoine Verdier.

Roger Perodin will replace Maurice Lafortune as commerce and industry minister.

According to analysts, these changes are in response to the confrontations that the ruling Lavalas party has maintained with the opposition, which claims that the 25 June elections were plagued with irregularities.

Analysts add that the government reshuffle will favor President Jean-Bertrand Aristide, who "could be headed toward a situation of a sole party in power."

Culture Minister Jean Claude Bajeux, who is member of the Congress of Democratic Movements (Conacom) will be the only opposition official who remains in Aristide's cabinet.

Some 20 political opposition parties are demanding the annulment of the 25 June elections, considering the electoral authorities favored the Lavalas party.

The complementary elections are scheduled for tomorrow in 21 electoral districts where the past elections could not be held.

A total of 378 candidates will be vying for 41 posts in eight of the nine departments of the country. The majority of the opposition parties, however, have appealed for a boycott of the elections and have threatened to withdraw their candidates.

Authorities have warned that no one aspiring to office can withdraw from the elections, because the constitution prohibits modifying the ballots one week after the publication of the official list of candidates.

Sunday's elections will culminate the legislative and municipal runoff elections, prior to the second runoff for districts in which no candidate obtains 50 percent of the votes.

Public Works Minister Barbier Tenders Resignation

PA1108134495 Port-au-Prince Signal FM Radio in French 1030 GMT 11 Aug 95

[From "The Waking Up Newscast"]

[FBIS Translated Excerpt] Haitian Public Works Minister Anthony Barbier has officially tendered his resignation to Smarck Michel, head of the Haitian Government, as a protest against the unfolding of the electoral process, we learned from official resources on 10 August.

The National Front for Change and Democracy, the FNCD, has announced the recall of its minister within

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the government, Social Affairs Minister Enold Joseph, who did not officially tender his resignation to the head of government on 10 August.

Anthony Barbier, the Panpra [Nationalist Progressive Revolutionary Party of Haiti] representative, has denounced the irresponsibility and arrogance of the Provisional Electoral Council [CEP], which, in is opinion, is jeopardizing Haiti's democracy and political stability. I refuse to join because the electoral process as conducted by the CEP favors a monolithic parliament that most certainly will be antidemocratic, Barbier has written in his resignation letter. [passage omitted]

Conacom Benoit Confirms Nonparticipation in Elections

PA1108212095 Port-au-Prince Signal FM Radio in French 1030 GMT 11 Aug 95

[From "The Waking Up Newscast"]

[FBIS Translated Excerpt] Professor Victor Benoit confirmed in a news conference held on 10 August in his party offices the refusal to participate in the elections organized by the Provisional Electoral Council [CEP]. Four days before the partial elections of 13 August, Prof. Benoit asks the National Congress of Democratic Movements [Conacom] candidates and militants to abstain from participating in the masquerade of 13 August.

Asked about the decision of some Conacom candidates to participate despite all in the partial elections of 13 August, Mr. Benoit stated that the concerned candidates are not even entitled to participate in the second round.

In his opinion, it is a political maneuver and a manipulation. If a person commits himself or herself to participating in the elections, he or she will be sanctioned in accordance with his or her political commitment and the political contract signed between this person and the party, Mr. Benoit added.

We renew our willingness to participate in elections provided that they are held by a credible CEP balanced with the participation of representatives of political parties, he stated.

He denounced CEP's original type of fraud — according to him — of the (?multiplication) by two of the actual percentages in order to favor the Lavalas Political Organization senatorial candidates, including Wesner Emmanuel, Jean Gelem Laguerre, Rodolphe H. Jadotte, Jean-Claude Daniel and Lucien Pierre-Louis.

These facts have reinforced our conviction that we are not in the presence of a credible and transparent CEP. It needs to be reconstituted, at least partially to reassure the political parties, concluded Mr. Victor Benoit, whom you are going to listen to now.

[Begin Benoit recording, in Creole] I believe that we will warn the press not to let itself be manipulated because we must know that on the basis of the whimsicality of the results given by the CEP, neither Mr. Kessa Raoul nor Jean Mandenave [former Conacom Deputies Raoul Kessa and Jean Mandenave have officially decided to participate in the partial elections of 13 August as senatorial candidates despite the refusal of their party, according to their own statements on Television Nationale d'Haiti on Wednesday, 9 August at 2300 GMT] are foreseen to participate in the second round. They do not even have to stand at the second ballot. All right?

Thus, it is a maneuver that is being made now in order to sow confusion among the public and in the mind of the Conacom candidates. I believe you should stress instead the firm position of a certain number of Conacom candidates, young men who do not have big material resources but who show much character. They remain steadfast as to the party's position. It is these people's position that interests us, and it is with them that we are willing to continue waging the battle of democracy. [passage omitted] [end recording]

CEP President: 'Everything Is Quite Ready' for Elections

PA1108215195 Port-au-Prince Signal FM Radio in French 1030 GMT 11 Aug 95

[From "The Waking Up Newscast"; passages within quotation marks in Creole]

[FBIS Translated Text] Everything is quite ready for the partial elections to be held next Sunday [13 August] within the Provisional Electoral Council [CEP], according to statements made by Mr. Pierre-Michel Sajous of the electoral institution. Dr. Sajous, who says he is optimistic as to the outcome of this election, has announced that the ballots have been sent to the appropriate polls. According to Sajous, next Sunday's partial elections will be honest and credible, according to the head of the electoral institution. Dr. Pierre-Michel Sajous answered the questions of Kenol Dorvil.

[Begin recording] [Sajous] "Regarding the preparations so far, we are on schedule for the timetable and the agenda we established. The activities are unfolding normally. This means there is such and such a thing to be done on such and such a day until the hours preceding election day. So, what I can tell you now is that everything is going as planned, and it is almost certain that all ballots will be at the polling stations on time."

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[Dorvil] "Mr. President, yesterday, the CEP had a meeting with the various political parties, can you tell us what were the results of this meeting?"

[Sajous] "Yesterday's meeting was... [pauses] had a one-point agenda. It was to reestablish the Monitoring and Electoral Control Unit. Obviously, the people came to agree on how things will function, because this unit has already been provided for since the 25 June elections but has not (?been effective) for various reasons. [passage omitted] [end recording]"

PANPRA in Opposition; 'To Struggle Against Unique Party'

PA1308130095 Port-au-Prince Signal FM Radio in French 1030 GMT 12 Aug 95

[From "The Waking Up Newscast" — passages within quotation marks in Creole]

[FBIS Translated Text] The Nationalistic Progressive Revolutionary Party of Haiti [PANPRA] is from this day forward a member of the opposition. After the resignation of Minister Anthony Barbier, PANPRA leader Serge Gilles says he has decided to struggle against any attempts to establish a unique party. PANPRA can wage an extra-parliamentary opposition within the limits of the Constitution. Through this resignation, PANPRA wants to mark its disagreement with the government concerning the electoral process, Serge Gilles stated on Signal.

The decision of the prime minister to install the new mayors elected in the 25 June elections was the straw that broke the camel's back. Let us listen to Mr. Serge Gilles.

[Begin recording] [Gilles] Our position toward the electoral process, toward the results of the 25 June elections, as well as our opinion of the 25 June elections, is clear. We think that we have the evidence that there are out-of-date people in this country, old-fashioned people who think they can establish a unique party in this country. The unique has nothing to do with democracy and "whenever groups of people want to do that, we will stand in their way because we have been struggling for democracy for 40 years." Now, what kind of opposition? Given that it is a unique party, "you are going to have a [stammers] a parliament that will be in the hands of one single party. Well, "we are going to continue the extraparliamentary opposition, but it will be a democratic opposition with the peaceful means that we have at our disposal, the peaceful means that the Constitution and the laws of this country put at our disposal.

[Unidentified reporter] Does PANPRA expect other political parties to do the same?

[Gilles] Many have already done so. "You see that there are democrats in the country," people, people [repeats] who are not willing to accept. Watch! We say it is good because we saw dictatorship coming in 1959, in 1960. We saw it coming. Here, we are defending everybody; we are defending all democrats, the democrats of this country and those elsewhere, and put your mind at ease in this struggle for democracy because "where is the true contradiction in this country at this time?" The true contradiction, the main contradiction in this country lies between those who want to establish a unique party and those — all trends viewed together — who want democracy, a plural democracy, which means pluralism, alternation, transparency, and so on, participation, the true one. [end recording]

Labor Party Confirms Refusal To Participate in Elections

PA1208203895 Port-au-Prince Signal FM Radio in French 1030 GMT 12 Aug 95

[From "The Waking Up Newscast"]

[FBIS Translated Text] The National Labor Party, the PNT, confirmed yesterday its refusal to participate in the electoral process. PNT Secretary General Remy Zamor, who announced the news, said the electoral organization has been unable to reassure the party about tomorrow's elections. Zamor believes the development of the electoral process does not inspire confidence, something which, he says, has led the PNT to abstain from participating in the coming elections:

[Begin Zamor recording] Within the context of the electoral crisis, taking into account the nonreassuring and ambiguous nature of the Provisional Electoral Council's response to the party's demands on the conditions that must guarantee openness and honesty in the electoral process, and considering that the party's duty is to watch over the legitimate interests of its members, the PNT believes it is entitled to stick to its position by abstaining from any participation in the electoral process. Done in Port-au-Prince on 11 August 1995. The secretary general. [end recording]

Paul: Political Proposals 'Fruit of Concerted Action'

PA1108215695 Port-au-Prince Signal FM Radio in French 1030 GMT 10 Aug 95

[From "The Waking Up Newscast"]

[FBIS Translated Text] With regard to the post-electoral crisis, the document attributed to the Nationalistic Pro-

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gressive Revolutionary Party of Haiti [Panpra], the National Congress of Democratic Movements [Conacom], and the National Front for Change and Democracy [FNCD] does not belong to any of these parties, according to Evans Paul. The FNCD spokesman said on 9 August that the document made known last 1 August on a set of proposals to get the electoral process out of the deadlock is not the property of Conacom, FNCD, or Panpra.

Paul nevertheless did not deny the participation of FNCD in the composition of this working document, but he considers its appearance in the press the result of a leak. The concerned document is the fruit of concerted action between several political officials and other sectors of civil society that participated in its composition, Evans Paul pointed out. He said there is no political alliance between the three above-mentioned political parties.

Asked about the silence of the presidency in reference to this document, the FNCD spokesman explained that the proposal was entrusted to Aristide only, but also to all the sectors that can play a role in the disentanglement of the post-electoral crisis. Is it a political leaflet, as Yvon Neptune, spokesman for the presidency, has suggested, noting that the document has not been signed by anybody? Evans Paul stated that if such a document is a leaflet, it must be the same for the unsigned seven-point proposal handed to Haitian authorities by the second in command at the State Department.

Council Sets Up Monitoring, Electoral Control Unit

PA1108203795 Port-au-Prince Signal FM Radio in French 1030 GMT 10 Aug 95

[From "The Waking Up Newscast"]

[FBIS Translated Excerpt] The Monitoring and Electoral Control Unit [USCE] has been formed following a meeting between the electoral organization and certain Haitian political parties on 9 August. This meeting, in which several parties, about 10, participated, allowed the Provisional Electoral Council [CEP] to set up the USCE, as agreed following a meeting held with the political parties before the first vote this past June. This unit is tasked with controlling the development of the elections throughout the country with a view to avoiding the same irregularities that occurred on 25 June.

Two CEP members, Delouis Domond and Leon Manus, said once again the CEP is open to dialogue. [passage omitted]

About 10 political parties participated in this meeting, this working session held on 9 August [words indistinct] which ended up in the creation of the USCE.

High Abstention Said To Mark Runoff Elections in Cities

PA1308191095 Madrid EFE in Spanish 1702 GMT 13 Aug 95

[FBIS Translated Text] Port-au-Prince, 13 Aug (EFE) — High abstention was the common thread in several Haitian cities in which runoff legislative and municipal elections are taking place today, Sunday, following the 25 June event.

Haitian citizens today are completing the elections held in June, with runoff elections in this country's 21 municipalities.

Four hours after the elections began, very few voters had gone to exercise their right to vote in Kenskoff Municipality, where a fire took place in the Central Election Office in June, which is the reason for today's repeat elections.

Morning hour abstentions were also observed in the city of Croix-des-Bouquets, northeast of the capital, and in Carrefour, to the south, according to press reports.

In Kenskoff, voting was low up to 1415 GMT, four hours after, which could mean the country's lowest turnout if kept up.

Only six people had turned up at one polling station and 48 in another one, the highest number up to now.

In statements to EFE, leaders of several polling stations all agreed the low voter turnout could be due to the fire that took place during the past elections and for several other reasons such as fear, lack of interest, and annoyance, among others.

One of the officials explained to EFE that many voters opted not to vote this time because they had already done so during the first round.

Other reasons given by the officials is the boycott of the electoral process decreed by the main opposition organizations and the hesitance of several candidates who decided to run at the last minute.

The Nationalist Progressive Revolutionary Party of Haiti, the Congress of the Democratic Movements Party [Partido Congreso de los Movimientos Democraticos], and the National Front for Change and Democracy, which backed Haitian President Jean-Bertrand Aristide in the 1990 elections, decreed a boycott of the electoral process, something which has not helped to motivate voters.

The fire during the past elections caused today's presence in Kenskoff of UN Mission for Haiti (Minhua)

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soldiers, who are walking the streets, moving around in trucks, and overflying the area by helicopter.

Those responsible at the Kenskfoff central voting office said there have been no problems so far.

They also said that all the voting material is complete, that the polling stations opened at 0600 as planned, and that candidates' names are printed on the ballots.

Several journalists in Croix Des-Bouquets and Carrefour noticed the rate of abstention and lack of interest.

In today's elections, according to the Provisional Electoral Council, more than 300 candidates presented themselves for Chamber of Deputies, Senate, and City Hall posts.

Runoff Legislative, Municipal Elections Conclude

PA1408003895 Madrid EFE in Spanish 2329 GMT 13 Aug 95

[By Herold Jean-Francois]

[FBIS Translated Text] Port-au-Prince, 13 Aug (EFE) — The runoff legislative and municipal elections in 21 regions of Haiti concluded at 1800 (2200 GMT) when electoral colleges closed without any noteworthy incident.

It will be awhile before results of the elections are learned and the Provisional Electoral Council (CEP) has yet to say when it will publicly announce the results.

As was to be expected, there was high abstentionism. In the case of the polling place located in Kenskoff, in the eastern part of the country, only 70 persons turned out to vote.

The only zones with a large participation, although the number was not over 100 persons, was in Coteaux and Baraderes, both in the country's southern region.

Tight security measures were observed in those places, according to radio reports.

A CEP source said that the personnel who worked in today's elections worked in the 25 June elections, where there were no problems.

There have not been any charges of technical failures, as in June, because all the material was distributed in a timely manner.

The CEP reported that 2,000 polling places were set up in eight departments of the country.

Meanwhile, Eric Falt, spokesperson for the UN Mission for Haiti (MINUHA) reported the arrest of an individual in Desdunes, Department of Artibonie in the northern region, who was found with two ballots.

Another incident noted by Falt occurred in Carrefour in the southern region when a group of persons threw stones at several voters.

Before the date of the elections had been announced, several political organizations had warned they would boycott it, which according to observers today, Sunday, was successful.

According to the CEP, there are over 300 candidates vying to occupy seats in the Chamber of Deputies, Senate, or mayors' offices in today's elections.

The elections were rejected by the National Progressive Revolutionary Party of Haiti, the Congress of the Democratic Movements Party, and the National Front for Change and Democracy, organizations that in December 1990 joined in a common front to take President Jean-Bertrand Aristide to power.

Correction to Ministry Not To Arrest Citizens

PA1008144895

The following correction pertains to the item headlined "Interior Ministry Not to Arrest Citizens for Statements," published in the 10 August Latin America DAILY REPORT, page 22:

Column two, paragraph nine, make sourceline read: Port-au-Prince Signal FM Radio in French 1030 GMT 9 Aug 95... (correcting month)

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Colosio's Security Chief Says Not CIA Agent

PA1108120995 Mexico City XEW Television Network in Spanish 0430 GMT 9 Aug 95

[From the "24 Hours" newscast]

[FBIS Translated Text] During an interview, Fernando de la Sota Rodallegues said he will file a defamation suit against THE NEW YORK TIMES. The newspaper recently published a report linking him to drug trafficking.

[Begin de la Sota recording] I tell THE NEW YORK TIMES that I will find a way. I do not have the resources or money to pay a lawyer in the United States, but I will see that those gentlemen write an explanatory note saying that what they said is not true, or I will simply sue them. [end recording]

De la Sota Rodallegues denied that he was an agent or leaked out information to the CIA.

[De la Sota] They claim I was a CIA agent in 1990, 1991, and 1992. I do not know what it is to be a CIA agent, nor do I know how they hire one, nor how much they pay. I assume they pay well, in which case I would not have any monetary problems. Nevertheless, I invite the NEW YORK TIMES reporter to prove it to me. [end recording]

Tuesday, Fernando de la Sota, former chief of the Omega Group, which was in charge of Luis Donaldo Colosio's personal security and who currently faces perjury charges, appeared before the First District Court of Toluca to present evidence for his defense. He noted that the Toluca judge will decide his legal situation.

Government Officials Highlight Drug Control Achievements

PA1208042595 Mexico City NOTIMEX in Spanish 0044 GMT 9 Aug 95

[FBIS Translated Text] New York, 8 Aug (NOTIMEX) — Mexican Foreign Minister Jose Angel Gurria stated here today, that when the United States reviews Mexico's struggle against drugs it will start to see the things we have being doing and the achievements we have accomplished. "This would be a good starting point for them," Gurria stated at the end of a two-day work meeting with Mexican ambassadors to several international organizations.

The foreign minister added that Jorge Pinto, Mexico's consul in New York, had sent a letter to THE NEW YORK TIMES newspaper describing "the many things we have been doing and stressing that this is how they should start to view us." Pinto Mazal's letter was in response to two articles published by this newspaper on 30 and 31 July, describing the people who, in the newspaper's opinion, are the main actors in drug trafficking activities in Mexico.

The newspaper articles also pointed out that the governments of George Bush and William Clinton had "closed their eyes" when they evaluated Mexico's efforts in the struggle against drugs because they did not want to endanger NAFTA and Mexico's stability." In addition to those articles, several U.S. sectors have commented on, evaluated, and criticized Mexico's actions to counter drugs lately.

The Mexican consul's letter to the newspaper highlighted his government's recent measures against this scourge and included the Mexican Army's active role in this struggle and statistics on recent drug seizures. Pinto emphasized that the newspaper articles "presented the channels of drug distribution in the United States" about which the U.S. public knows very little.

This Tuesday, a U.S. Senate commission held a hearing on the struggle against drugs in Mexico. At this meeting, Executive Branch officials asserted that the Mexican government continued to combat drug trafficking activities and the corruption generated by this crime.

Mexican Foreign Minister Gurria ended here, a two-day meeting with more than a dozen Mexican ambassadors to international organizations. During their meetings, the officials studied and coordinated the national stance on several issues included in the international agenda.

"It was a regular, routine meeting in which we exchanged points of view on how to face an untold number of issues included in the international agenda," one of the officials present at the meetings asserted. Among the ambassadors who attended the meetings were Mexico's representatives to the United Nations, the United States, the World Commerce Organization, international organizations seated in Geneva and Vienna, and the EU. Several Mexican Foreign Secretariat officials were also present at those meetings.

Zedillo Meets With Foreign Relations Secretariat Officials

PA1108193295 Mexico City XEW Television Network in Spanish 0430 GMT 10 Aug 95

[From the "24 Hours" newscast]

[FBIS Translated Text] President Ernesto Zedillo has held a working meeting with Foreign Relations Secretariat officials to evaluate the actions the current administration has taken and to determine the actions that will steer future Mexican diplomatic activities.

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President Zedillo has said foreign policies have faced great challenges, trials, and difficult times during the first months of the new government. He has affirmed there has been no political condition whatsoever in the negotiations with the U.S. Government on the financial aid package for Mexico. Zedillo added that at international forums, people are starting to have a new image toward Mexico substantially different from the image they had during the first months of 1995.

Mexican diplomacy is being conducted in full adherence to the historical principles of our foreign policies, he has said, remarking that the works done with the community of Mexicans living abroad constitute Mexico's response toward its nationals.

Foreign Secretary Jose Angel Gurria spoke at the meeting and has said the main objective of foreign policies is to preserve and strengthen sovereignty. To defend Mexico's rights abroad in accordance with the law is to guarantee the nation's sovereignty, Gurria has affirmed. He has also said the economic crisis has failed to halt Mexico's efforts abroad, adding that Mexico's position in the world has made it possible, in light of the financial crisis, for the international community to respond without setting any political conditions whatsoever.

During the meeting, Juan Rebolledo Gout, bilateral affairs under secretary, Sergio Gonzalez Galvez, multilateral affairs under secretary, and Javier Trevino, international cooperation under secretary, explained the foreign policy programs and actions included in the National Development Plan.

PRI President: Defeats Not 'Party Debacle'

PA1108230695 Mexico City XEW Television Network in Spanish 0430 GMT 9 Aug 95

[From the "24 Hours" newscast]

[FBIS Translated Text] In Mexico City, PRI [Institutional Revolutionary Party] national president Maria de los Angeles Moreno today admitted that her party must revise its political platform and organization. Moreno said that the defeat which PRI experienced in Baja California and Aguascalientes states during last Sunday's elections have been exaggerated. These defeats, she commented, do not entail a party debacle.

[Begin Moreno recording] I don't see why this defeat must be interpreted as a final catastrophe. I think my party prepares to fight its best battles yet. [end recording]

Affirming that the adverse results are not only caused by the economic crisis that Mexico is experiencing, Moreno said that PRI must revise its organization, political platform, and selection of candidates and that her party has always encouraged and respected electoral competition.

[Begin Moreno recording] Unlike other parties, PRI has been the first one to admit it has not received the majority of the vote. [end recording]

She said the recent elections are proof of changes taking place in Mexico and the need for all parties to make every effort to present clear, specific, reliable, and practical platforms.

Moreno spoke in an impromptu news conference after she led a homage to Miguel Osorio Marban for his 45 years of PRI membership.

[According to a Mexico City, 9 August datelined report, Alejandro Carrillo Castro, PRI's international relations secretary, told EFE: "At PRI we have a feeling of exhaustion." Carrillo said these results show that PRI is used to alternating in power and "is prepared to accept defeat," unlike other parties which "say there is no democracy when they do not win." "Although PRI failed in recovering the Baja California government, the party as opposition made important progress in the state by winning two mayoralties."]

Electoral Commission Announces Results in Zacatecas, Oaxaca

PA1108164195 Mexico City XEW Television Network in Spanish 0430 GMT 10 Aug 95

[From the "24 Hours" newscast — passages within quotation marks recorded]

[FBIS Translated Text] In Zacatecas and Oaxaca States, the results of the 6 August elections have already been released.

[First unidentified reporter] In Zacatecas State, the State Electoral Commission on 9 August released the official results of the 6 August elections, showing a high voter turnout exceeding 65 percent. Waiting to name the deputies elected by proportional representation, Francisco Javier Bernal, president of the State Electoral Commission, said the PRI [Institutional Revolutionary Party] has a definite advantage in the 18 electoral districts:

[Bernal] "The PRI is winning in the 18 districts. The count has already ended in most districts, and the results confirm what we had previously stated; that is, the preliminary results indicated the PRI had the majority."

[Reporter] Of the 56 municipalities in dispute, it was confirmed that the PRI won in 42 municipalities and that the opposition won in 14:

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[Bernal] "We have confirmed that 11 municipalities are in the hands of the National Action Party [PAN], two in the hands of the Party of the Democratic Revolution, and one in the hands of the Labor Party. The remaining 42 municipalities are in the hands of the PRI."

[Reporter] The PRI has recognized that the PAN obtained major victories in the past elections, but the state capital will remain in the hands of the PRI. Now that the results were released, the electoral commission in each municipality will proceed to hand out the proof of majority to the respective municipal presidents:

[Second unidentified reporter] Meanwhile, on the evening of 9 August, the General Council of the State Electoral Institute in Oaxaca State, which is holding a permanent session, officially made public the victory of the PRI candidates in 17 of the 25 electoral districts. Its candidates already received their proof of majority. Meanwhile, we are waiting for the respective results in another eight electoral districts:

[Unidentified speaker] "We have the information the General Council has released on 17 district councils, where the proof of majority has been handed out. In this case, it was the PRI. We still do not have the results in eight district councils, which are currently in session."

[Reporter] It was reported that sympathizers of a disgruntled political party took over the Juxtlahuaca electoral district, interrupting the final counting process. The General Council of the State Electoral Council, meanwhile, is in recess, waiting for the nonconformists to reach an agreement to continue with the process.

Business Sector Creates Financial Relief Fund

PA1208225895 Mexico City XEW Television Network in Spanish 0430 GMT 8 Aug 95

[From the "24 Hours" newscast]

[FBIS Translated Text] The Mexican business sector gets a boost. Mr. German Gonzalez Quintero, president of the Confederation of National Chambers of Commerce [Concanaco], announced the creation of a special trust fund to lift the financial burden on business. The trust fund, he said, will receive more than 30 billion new pesos from the Bank of Mexico and will benefit over 600,000 companies. He explained that the fund will absorb the high interest rates that companies now pay.

[Begin Gonzalez recording] This means that interest will not accumulate over a short-, medium-, or long-term period, or become part of the principal amount. I will continue to pay my debt at the interest rates that were in effect before December 1994. [end recording]

Gonzalez announced that he will meet with President Ernesto Zedillo and leaders of the National Association of Manufacturers, the Confederation of Industrial Associations, and the National Chamber of Commerce on Wednesday at the presidential palace to formally present the trust fund plan. The Concanaco leader said that the Action Plan for Strengthening the Agreement of Unity to Overcome the Economic Emergency must end in October and the National Development Plan should begin. Otherwise, he said, the Mexican economy will not grow the required 5 percent next year. The Concanaco leader demanded that the government disclose the identity of the murderers of Luis Donaldo Colosio. German Gonzalez said that crime has no name or post and the perpetrator must be punished, no matter who it may be.

[Begin Gonzalez recording] That has been our position. The investigations must be carried out in depth and within the law. We must not start a witch hunt, but we should act firmly to punish whomever is found to be responsible. Crime must be punished whether or not the person holds or has held a public office. That has nothing to do with it. We, along with everyone else, are expecting a clear explanation that will allow us to rest easily and trust our judicial authorities. This means that justice will be applied in Mexico. Definitely, this is extremely important for society to regain trust in its government. [end recording]

Banks Seize Over 10,000 Properties in 7 Months

PA1208230195 Mexico City XEW Television Network in Spanish 0430 GMT 8 Aug 95

[From the "24 Hours" newscast]

[FBIS Translated Text] In the last seven months, Mexican banks have seized over 10,000 real estate properties from debtors. This information was reported today by the Mexican Association of Bank Debtors.

In a news conference, members of the Mexican Association of Bank Debtors have expressed their desire to negotiate real and just repayment conditions. To this end, they made the following proposals: a reduction in interest rates; a solution to the problem of interest on interest; elimination of repayment terms over 20 years; payment based on economic capacity; a juridical truce; suspension of seizures and attachment proceedings until an agreement convenient to the parties is reached.

Mr. Victor Blake Gomez, vice president of finance of the Mexican Association of Bank Debtors, has affirmed that the practice of nonpayment does not benefit anyone.

[Begin Blake Gomez recording] The nonpayment will adversely affect us all, but the payment of something unattainable cannot be effectively made. [end recording]

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He added that debtors want to pay and banks, undoubtedly, need to collect.

[Begin Blake Gomez recording] Any formula enabling us to pay or to establish reasonable payment limits so that both we and the bank continue to operate is a good solution. [end recording]

Blake Gomez considered that bank debtors are not responsible for the situation they are in, but are rather victims of circumstances beyond their will and control.

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El Salvador

Government Conditions Willingness To Renew Cuban Ties

PA1108230595 San Salvador DIARIO LATINO in Spanish 9 Aug 95 p 3

[FBIS Translated Text] Deputy Foreign Minister Victor Manuel Lagos, on behalf of the Salvadoran Government, has announced the administration's willingness to renew diplomatic relations with Cuba. He added that the administration of President Armando Calderon Sol has an open position on this issue. Nevertheless, he noted that the renewal of relations will depend on Cuba's "democratization."

On various ocassions, Calderon Sol has asked Fidel Castro to allow "an open and sincere dialogue" with all Latin American countries.

Guatemala

De Leon Willing To Allow 'Total Opening of Borders'

PA1308212495 Guatemala City LA REPUBLICA in Spanish 9 Aug p 2

[Report by Carlos Ajanel Soberanis]

[FBIS Translated Text] President Ramiro De Leon Carpio announced on 8 August his willingness to allow the "total opening of borders" for the introduction of products and goods to prevent speculation in Guatemala after warning that his government "will not allow unjustified price increases."

According to De Leon Carpio, his resolve to release imports includes chicken, which has a "protectionist tariff barrier" that benefits the country's poultry industry.

The president's decision was made after admitting that the executive branch endorsed an initiative by Agriculture Minister Luis Arturo Del Valle and Economy Minister Erick Meza Duarte to ease flour import restrictions because it was considered the only way to avoid an unjustified price increase for bread.

Meanwhile, De Leon Carpio pointed out that within the next few days, a list of products, which might be released by the government, will be issued "based upon what Guatemalans' are able to afford."

After the president inaugurated the Mayoreo Telephone Company [Central Telefonica de Mayoreo], he said, "We are willing to open the borders to flour and other products."

The president also announced the upcoming opening of the Consumer's Defense Office, which, in his opinion, will guard the interests of Guatemalans.

As to whether the opening of borders will also include propane gas, which would allegedly no longer be sold due to a strike by the tugboat operators, De Leon Carpio announced that everything regarding this product has been resolved and there would not be a need to import it.

However, De Leon Carpio reiterated the introduction of more products into the country will be carefully monitored while respecting the "protection" clauses, which have been previously established.

De Leon Carpio also indicated that on this date he would be calling for a news conference to announce the acts of "corruption," which his government has detected over the past few days. He did not want to disclose this news yesterday, despite the fact that he has been previously questioned in this regard.

Honduras

President Comments on Amnesty, Praises Prosecutor

PA1108233595 San Pedro Sula TIEMPO in Spanish 10 Aug 95 p 3

[Report by Daniel Serrano]

[FBIS Translated Text] Tegucigalpa — President Carlos Roberto Reina said yesterday that the officers charged in the forced disappearance of 184 persons will be granted amnesty if their crimes are considered to be political and added that the work of Prosecutor General Edmundo Orellana "is great."

Reina flew to New York to speak on the economic situation in Central America, at the invitation of the Chautauqua University.

"If the amnesty covers or excludes military crimes, that is a legal matter that has to be clarified to the utmost... the word comes from amnesia, to forget political crimes, but it cannot be applied to those who committed common crimes," Reina stated.

In addition, Reina noted that Tacamiche residents were made an excellent offer, which they have not received yet, giving them housing and a place to work near where they live. "If they accept, the matter is over."

The nationwide demand for land by the National Federation of Rural Workers (CNTC) and other organizations, the president added, is a topic of agrarian nature that all the political parties and sectors of all walks of life will discuss on 17 August.

On the passports case, Reina said he had no problem having to testify in this case. "The signature is a fact.

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The report concluded that it was forged. The jury will say what are the grounds for it and what will be decided in this kind of case."

"I do not have any cards up my sleeve or actions of which to be ashamed in my public or private life," Reina said after adding that he hopes the signature of Rebeca Santos, deputy minister of the Honduran Social Investment Fund (FHIS) [title as published] had also been forged.

Regarding Prosecutor General Edmundo Orellana's latest statements expressing annoyance because the president had questioned the number of cases he had presented at legal courts, the president said he had no problems with this official because "he is doing a wonderful job."

Orellana is a first-class official who is acting in a very courageous manner and is efficiently furthering the tasks that were assigned to him, Reina underscored.

President Reina said: "I am not upset with the prosecutor. I believe it was a logical reaction." He also reiterated his concern that society is being frightened with the great amount of cases presented by the prosecution office.

Rationality is back and there will be no more confrontations of any type, he said. President Reina also emphasized that his intention was to reduce and conclude specific cases so as not to create an "expansive wave" that would hinder the new legal system.

Nicaragua

FSLN: Willing To Participate in Upcoming Elections

PA1108155595 Managua BARRICADA in Spanish 7 Aug 95 p 3

[Report by Carlos Garcia Castillo]

[FBIS Translated Text] Sandinist leader Bayardo Arce Castano said yesterday that the Sandinist National Liberation Front [FSLN] is willing to participate in the upcoming elections through a broad political alliance of parties of various persuasions and that it is even willing to participate in a government of national unity that is feasible for the country.

Arce, who participated in the "Direct Line" Program aired by Radio Istmo in Managua yesterday, said "one should never say never in politics. One must have clear principles in politics, and the FSLN maintains that the only persuasion it would never have ties with is the Liberal-Somozists," Arce added.

The FSLN National Directorate [DN] member said his party is poised to win the 1996 elections in the first round, because the FSLN is not experiencing the deterioration that ruling parties usually suffer and because there will hardly be a union of political parties against the FSLN.

"The most important thing is that the people have had time to reflect on the change in government. This neoliberal government has meant unemployment, hunger, and destitution in the past years," Arce said.

As for the current division within the FSLN, the Sandinist politician said that what concerns the Sandinists the most are the people, the country, and the danger posed by the possibility that a rightist government headed by the Liberal-Somozists might enthrone itself in the country again.

Arce said his party has not yet decided who will be the official candidate for the 1996 elections. We have started our search for the most suitable candidate to represent us, but we have not made a decision yet, he added.

The leader said there are a few possible candidates such as Dr. Vilma Nunez de Escorcia, farmer Daniel Nunez, and Dr. Mariano Fiallos, among others.

Arce said that among the names most often mentioned during consultations within the FSLN rank and file is that of Dr. Mariano Fiallos Oyanguren, current president of the Supreme Electoral Council [CSE]. "He is among the most prestigious men within our ranks and has been repeatedly mentioned as a possible candidate," Arce added.

The DN member assured his party will select the official candidate through primary elections within its ranks. We do not have a wild card candidate. All candidates will be presented for the consideration of the Sandinist rank and file, and the decisionmaking bodies will make their respective recommendations, he said.

Arce said Dr. Fiallos, who was once described by Dr. Sergio Ramirez Mercado as a classy candidate for any political party, would have to resign his post at the CSE should he be chosen as candidate and should he accept the candidacy.

Panama

President: Country Needs Current Economic Structure Removed

PA1208171295 Panama City EL SIGLO in Spanish 12 Aug 95 p 42

[Report by David Daniel Victoria]

[FBIS Translated Text] President Ernesto Perez Balladares said yesterday our country needs its current economic structure, which has been "rotted" by time, to be

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removed in order to resist the sudden attacks by an increasingly defiant foreign competition.

Perez Balladares said the country will reflect calmly and dispassionately on the need to reform the Labor Code once spirits, which are altered by disagreements today, have calmed down and Panamanian families are in harmony once again.

He said that every day he receives letters, telegrams, telephone calls, and visits in which the topic of the seriousness of unemployment comes to light in one way or another.

He said "it hurts not to have at hand an effective and immediate solution to satisfy every man and woman's basic desire to obtain a job."

Perez Balladares said he has decided to give back to thousands of Panamanians confidence in their fatherland, even at the expense of his own peace and that of those accompanying him in his administration.

Genaro Lopez, secretary general of SUNTRACS [Single National Union of Construction and Related Workers], warned yesterday before hundreds of workers gathered at the 5 May Plaza that there are leaders who want to deceive the workers by selling the idea of alleged agreements with the executive branch so as not to "deteriorate" the working class.

He said workers are still at risk with the minimum wage, their unions, and collective agreements: thus, he reiterated his call to the president to withdraw the reforms or veto them, because they are totally "harmful."

The workers, who have been striking since 4 August, met peacefully outside the Legislative Assembly. Leaders Genero Lopez, Gabriel Castillo, and Saul Mendez, again surfaced from hiding to reiterate that the struggle against the reforms continues despite it all.

Labor Minister Doens on Approved Reforms

PA1308051295 Panama City Sistema de Television Educativa in Spanish 0320 GMT 13 Aug 95

[Speech by Labor and Social Welfare Minister Mitchell Doens at the National Legislative Assembly on the occasion of the approval of Law 86 that amends the Labor Code — live]

[FBIS Translated Text] Madame assembly president, distinguished legislators, distinguished business and labor leaders, Messrs. journalists, ladies and gentlemen: On this night we culminate a long process that began with a dialogue, with a debate, in which the fundamental objective prodding our government, businessmen, and workers was, is, and will be to seek a better life for all Panamanians.

At this time, we are overcome by conflicting emotions, because we never really wanted a clash, we never wanted a confrontation with anyone in our country. That is why from the moment Ernesto Perez Balladares won the presidency on the elections on 8 May 1994 he chose the path of consensus so that our country would not have to pay the high costs other countries have had to pay in the search for a better life for their peoples. It was on that path that we began to hold meetings with our labor and business comrades of the Labor Foundation. The political program of Perez Balladares dealing with economic, social, and political topics, and, primarily with the topic of national liberation, was discussed in that foundation with the country's largest labor federations and top business organizations of the private sector. We sought points of concurrence there. We sought a coming together so that the final proposal could have the support of the influential sectors through their political and organizational mechanisms. Many things have been uttered during this debate that has been rich in content. Many truths have been uttered by the opposition as well as by the progovernment bloc. Many falsehoods have also been uttered. Many lies have been uttered. Things that were never included, are not included now, and cannot be justified were fabricated throughout the debate not just in the Assembly but also outside of it. For example, it was said that our government lacks an economic program. The government's economic program arises from the electoral campaign, where the fundamental points of discussion were unemployment and extreme poverty in our country. It was said during those debates that approximately 140,000 workers were jobless. It was said that over half of the population of Panama, that is, 1.250 million men and women did not earn the sufficient resources to have a decent life, or to meet their needs of food, clothing, and housing, and that half of those men and women lived in extreme poverty, that is that over 600,000 Panamanian men and women were not even consuming the amount of food needed to replenish the strength lost ... [pauses] that takes place every day.

The candidates who were opposed to President Perez Balladares, and he himself, made those social indicators their fundamental goal and purpose, once they were in power. The economic proposal that was discussed with the labor organizations sought as a fundamental objective to establish national goals among all Panamanians. Panama needs to have its own economic project. Panama needs to have an economic project in which all the economic, political, and social forces can participate.

Venezuela has an economic project in which, aside from all political colors, Venezuelans defend their oil

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policy. In the United States, the United States of America, independently of the contradictions that may exist between Democrats and Republicans, they defend their national security through their economic project. Countries, therefore, are directed toward certain goals.

Panamanians come from a confrontation that cost us blood and material losses in the past decade. What it involves, then, is that at the dawning of the 21st century, to avoid having a recurrence of such facts and situations of confrontation, Panamanians among us all will have at least the economic, social, and political parameters and, above all, the concept that many generations from Porras, Arnulfo Arias, and Torrijos have bequeathed to our country, so that by 1 January of the year 2000, we can really enter a century in which we are really free, sovereign, and independent.

That is why the invitation to dialogue was made by Dr. Perez Balladares to all political parties. Politicians are the ones who are responsible for giving a response to our fellow citizens through coherent projects, because they are not the exclusive problem of either the Arnulfistas, the Christian Democrats, the Liberals, or the PRD [Democratic Revolutionary Party]. They are problems of all the Panamanians.

In the debate — I believe it was a debate — that, as a local newspaper, which does not specifically sympathize with the PRD, stated, it has been the one that has taken the longest in national history of Panama to try to get its approval in this chamber. A newspaper that is opposed to us notes that not even the Torrijos-Carter Treaties have been debated, as has this draft law, which you have approved today.

We were in the countrysides, in the banana plantations, in the Chamber of Commerce during 10 long months, gathering opinions, expressing our views and especially our goals in the short and long term of our administration. Therefore, it is not being imposed on anyone, as some have tried to infer, seeking to divert the law. They have been 10 long months in which the labor foundation, the workers and businessmen, the team from the Labor Ministry, and yours truly toured all of our national territory with the purpose of presenting to the citizens and to this August Chamber a better approximation of what are the feelings of our working people and businessmen.

It was given a first debate in the Legislative Assembly in which the dissidents of the proposal also participated. In this second debate, I must recognize the wise and extraordinary participation of opposition and government legislators, who technically and politically exposed their views. I think this debate has elevated the image and dimension of the Legislative Assembly whose many detractors seek to turn into a circus.

It has been said that with this proposal we have violated fundamental and sacred principles of the worker sector: The right to belong to unions, collective bargaining agreements, the right of women to not be discriminated against at work, the limitation of the age of children, and many other things. I believe, distinguished legislators, public in attendance and televiewers, that none of these things is found in this proposal, because when these doubts began to surface, we appealed to the International Labor Organization, guarantor of the fundamental conquests of workers, so that it could tell us if that was true or false.

As you know, the labor organization's final verdict was that none of the workers' basic achievements was being violated. The responsibility and firmness of Dr. Balladares' government was evident from the start because as soon as the two-year period for the minimum wages review was up, we established a technical commission in which, for the first time, workers and businessmen participated. This commission has presented a proposal, which will be announced to the public in three weeks, to increase the minimum wage for all workers in our county. [applause]

The opposition block has pointed out here, with great emotion and also with great firmness, that there are many reasons to reject those reforms. We, too, can say that there are 150,000 reasons to approve them. They are the unemployed people in the streets who demand jobs. They are the 1.2 million people, which are 1.2 million reasons, who demand a better income to have better living conditions. There are 600,000 reasons to approve them, the 600,000 people who do not eat well in Panama and who demand that their politicians — from the opposition and the government — legislate to be able to get out of our backwardness and poverty.

Those were this government's true intention. It was not to hurt workers or hurt employers. The unemployed and the people who live in precarious conditions were our inspiration. They are the ones that gave this government and Dr. Balladares the firmness and conviction to further this endeavor, fully aware that we will probably have to pay a political price for this. We have to give solutions because, as General Torrijos used to say, we have to think about the future generations and not about the future elections. We have, thus, taken this direction and furthered this process of reforms or modernization of the labor laws.

This path, distinguished legislators, has been very difficult. There have been Panamanian workers who from the very start had the courage to accept — not with this government, but with the previous one — that we had to confront the labor reforms. In 1992, President

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the business sector either; therefore, we are proposing that we return to the bargaining table in order to work out a solution to this problem, enabling the parties to reach an agreement. No agreement has been reached so far, because we are surrounded not only by unions comprising the SUNTRACS but also other unions.

[Alvarado] To sum up, Legislator Balbina Herrera, the reforms are indeed a fact. When will the president of the Republic sanction this law?

[Herrera] That will depend on what the president decides. I would like to add the following: We have done all we could to produce a balanced Labor Code, but I want to stress that SUNTRACS and even the banana plantation workers maintain collective bargaining agreements that are beyond the proposals made in this amended Labor Code. I also want to state something else. We need to respect the rights workers have up to now. In addition, there are different conditions for new investments from now on.

I only hope these new investments come, following the set of measures we have adopted in this year I have presided over the Legislative Assembly.

Assembly Said To Accomplish Goal

PA1308170495 Panama City LA PRENSA in Spanish 13 Aug 95 p A-1

[Report by Rolando Rodríguez B.]

[FBIS Translated Text] Legislative Assembly President Balbina Herrera has said the assembly has accomplished its goal of "improving the Labor Code reforms," which were approved yesterday during a third debate. Labor Minister Mitchel Doens has said the modifications have not been imposed and do not harm labor achievements.

Herrera has said: "I believe the assembly has accomplished its goal of improving the reforms, and it is now up to the executive branch to make them known and to secure, thanks to this code and other laws that have been approved, investments that will generate jobs."

The legislator has said leaders of the Single National Union of Construction and Related Workers [SUNTRACS] have delivered to Herrera a note requesting a meeting with President Ernesto Perez Balladares.

Herrera has said that she received the note while the third debate on the reforms was going on and that she has not been able to contact the president to inform him of the SUNTRACS request. This union has been on an indefinite strike for the past 10 days.

The leaders of this union, Genaro Lopez, Jose Morris, Gabriel Castillo, and Saul Mendez, have sent Perez Balladares a letter stating that heeding the call made by the president on 10 August over a national television network, "the doors to a respectful, equitable, and real dialogue are open."

The letter states that it is now up to the president to approve or disapprove the reforms bill, "which has cost the lives of four humble people...more than 400 Panamanians under arrest...hundreds of injured, and more than 20 million [currency not specified] daily" as a result of economic losses, according to estimates.

The leaders say they expect a halt in the persecution against union members and student and public organizations.

These union leaders add in their letter now that he can either approve or veto the labor reforms bill. The president must use this opportunity "to bring stability back to the country by initiating a real, national consultation."

Labor Minister Doens has said the project approved yesterday was the culmination of 10 months of consultations. He has said he has mixed feelings because the bill has been approved, but he wishes no confrontation had taken place.

The minister has said he believes the discussion of this bill has heightened the assembly's image, adding that the reforms are not the product of impositions, because all the interested sectors were consulted and because none of the workers' achievements has been impaired.

Minister Doens has said the new minimum salary will be announced in three weeks. A commission composed of Labor Ministry workers, businessmen, and technicians has already been working on this issue. Does would not comment on what the new minimum salary could be so as "to avoid speculation."

Ending of Strike by Workers' Organizations Seen

Construction Board: 'Return to Work'

PA1208172395 Panama City LA PRENSA in Spanish 12 Aug 95 p A-1

[Report by Jose Quintero De Leon]

[FBIS Translated Text] The Panamanian Construction Board (Capac) yesterday urged SUNTRACS [Single National Union of Construction and Related Workers] leaders to abandon their current protests and return to work in view of the common interests they share.

Capac President Jose Felix Jelensky said: "Capac urges all construction workers to return to their respective work sites on 14 August at the latest."

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At a news conference, the Capac president said Capac has maintained a conciliatory and objective position despite the great economic losses experienced by construction businesses and promoters, which have been affected by SUNTRACS' indefinite strike.

Jelensky said: "We have strived to prevent the current labor conflict, which stems from the construction workers' opposition to the Labor Code reforms, from transferring into labor relations in our sector."

The Capac president said a strike cannot be maintained indefinitely, adding that this bill will be approved today and that the Panamanian president will then sanction it whether the workers like it.

Jelensky said that Capac has discovered through a further evaluation of the situation that there are many workers who want to return to work and collect their pay for the days they have worked, and he also recalled that on 15 August the thirteenth month bonus will be paid, something which could not be done if workers do not go to the construction sites.

The Capac president stressed that the labor reforms, which were approved during a second debate recently, do not affect the construction workers' labor status. Construction workers have their own labor system, which is contained in Law 72 of 1975 and in the Capac-SUNTRACS Collective Agreement.

Jelensky said, however, that Capac views with concern that the construction sector is kept paralyzed to the detriment of the industry, workers, and their families while other sectors directly affected by the labor reforms have announced the end of the strike and are ready to return to their jobs.

Jelensky concluded that in addition to a week of strikes and the nonpayment of wages, the greatest harm has been done to the country's international image, a point which will cause the flight of investments and a daily loss of $3 million to $4 million.

CGTP, CTRP Leaders Comment

PA1208172195 Panama City EL PANAMA AMERICA in Spanish 12 Aug 95 p A-1

[Report by Arnulfo Barroso Watson and Carlos Vargas]

[FBIS Translated Text] Approximately 45,000 workers affiliated with the General Central Organization of Panamanian Workers (CGTP) will strike indefinitely "until the Legislative Assembly concludes the discussion of the labor reforms," CGTP top leader Mariano Mena warned yesterday.

"Our people are still on strike. We are not going to lift the strike until this process concludes at the Legislative Assembly," Mena affirmed.

He said the 27 organizations affiliated with the CGTP will remain on strike until the debates conclude, because they fear the assembly may change at any given time what was agreed between the Tripartite Commission and the executive branch on 10 August at the Presidency of the Republic.

Regarding the modifications made to the article on the indemnity to be paid for an unjustified dismissal, Mena said what was agreed in the assembly is not what he, as a labor leader, would have preferred. He said, however, workers and businessmen in the negotiations made certain concessions in order to win in other areas.

Meanwhile, the leadership of the Confederation of Workers of the Republic of Panama (CTRP) has confirmed that organization will call off the strike once the modifications are approved in the third debate by the assembly.

CTRP Secretary General Aniano Pinzon has confirmed that organization will observe the 48-hour strike approved by the rank and file but that the strike will be lifted once the third debate of the reforms concludes.

Ending Strike, Legal Struggle Considered

PA1308170995 Panama City EL PANAMA AMERICA in Spanish 13 Aug 95 p 1

[Report by Arnulfo Barroso]

[FBIS Translated Text] The labor organizations that are on an indefinite strike are studying the possibility of lifting it in order to wage a legal struggle on charges of unconstitutionality against the "most harmful" articles of the labor reform.

Antonio Vargas, attorney of the Union of Construction Workers [Sindicato de Trabajadores de la Construccion], has told EL PANAMA AMERICA that at a meeting held yesterday, the leaders of striking workers studied the possibility of lifting the strike "so as not to subject the workers to a suicidal struggle and massive dismissals."

Genaro Lopez, secretary general of the Single National Union of Construction and Related Workers [SUNTRACS], assured in a meeting at the 5th of May Plaza yesterday that "the strike remains firm and is winning more support daily."

Vargas said that once the reforms are approved during a third debate, the striking unions will initiate a second

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phase of struggle that includes suits of unconstitutionality at the Supreme Court of Justice.

At the meeting held yesterday by the leaders of the 49 striking organizations, Vargas said it was not definitely decided what actions will be adopted as of this week.

Meanwhile, Genaro Lopez has urged the SUNTRACS members to go to their centers of work tomorrow to receive instructions from their leaders. He told his companeros at the 5th of May Plaza: "The strike will not be lifted when the president of Capac [Panamanian Construction Board] says so but, rather, when the leaders of the workers say it."

Lopez said the strike will continue until the government derogates the reforms, which are harmful to the workers, approved by the Legislative Assembly, he reiterated.

Vargas said the union is thinking about filing a lawsuit against Police Director Oswaldo Fernandez for directing the "repression" in which two workers died and many individuals were injured.

Vargas said he will sue the National Police for theft and personal assault, because "many" arrested individuals had their money and jewels stolen. He said he possesses medical certificates stating that arrested individuals were beaten by the police.

LA PRENSA Publishes Texts of Labor Code Articles 33, 34

PA1208171495 Panama City LA PRENSA in Spanish 12 Aug 95 p A-4

[Text of Panamanian Labor Code Articles 33 and 34 as approved by the Legislative Assembly

[FBIS Translated Text] Article 33: Subrogate Article 218 of Cabinet Decree 252 of 1971 to read:

Article 218: In indefinite term work contracts, the worker who is dismissed may request from the conciliating and decision boards, or the labor tribunals in places where the boards do not operate, to be rehired to the post or to be indemnified as established under Article 225.

If the employer is unable to justify the dismissal or is unable to produce a previous resolution authorizing the dismissal, the worker will have the right, as requested, recognized in addition to being entitled payment of loss of wages, which will be reckoned in the following manner:

A. Up to a maximum of three months from the date of dismissal for those workers that begin after this law comes into effect.

B. For those workers employed when this law becomes effective, they are entitled to receive loss of wages for up to five months.

C. Labor cases being dealt with in courts before this law becomes effective and that imply benefits, loss of wages, and indemnities will be guided by the rules in practice when this law comes into effect.

The sentence should specify that the indemnity payment will come from the dismissal fund as paid by the employer or by the employer directly, who, in addition, will pay other legal expenses.

The conciliation and decision boards will issue a ruling within a term not exceeding three months, counting from the time the lawsuit is presented. The penalty for any violation is subject to what the Labor Code establishes.

The labor minister will establish the number of conciliation and decision boards needed to comply with these articles, **especially to avoid the accumulation of wages due.**

Article 34 of Draft Bill No. 86 will read:

Article 34: Subrogate Article 219 of Cabinet Decree 252 of 1971 in this manner:

Article 219: Should rehiring be ordered, the employer has the option to end the work relationship by paying the corresponding indemnity plus a surcharge, **which will be computed in this manner:**

A. Fifty percent (50%) over the corresponding indemnity payment for those workers employed by the enterprise at the time when this law becomes effective.

B. Twenty-five percent (25%) over the corresponding indemnity for those workers who begin after this law comes into effect, provided the employer is not up to date on his payments to the dismissal fund.

In addition, employers must pay the loss of wages in the manner the respective sentence indicates, in accordance with Article 218.

The employer has up to one month to rehire the worker or to pay the indemnity plus the surcharge and the loss of wages up to the date the worker is rehired or is indemnified. This term starts the day after the sentence is executed.

In cases covered by numerals three and six of Article 212 of this code, the indemnity payment to which this article refers may not be carried out in a term longer than six months provided there is irrefutable proof substantiated by a judge or the board as to the enterprise's bad economic situation and provided these

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payments are no less than the equivalent of the average salary received by the dismissed worker every month.

Merchant Association President Notes Drop in Stores' Sales

PA1208171695 Panama City EL SIGLO in Spanish 12 Aug 95 p 10

[Report by Rogelio Cordova]

[FBIS Translated Text] Jack Eskenazi, president of the National Association of Merchants [Asociacion Nacional de Comerciantes], announced yesterday that sales in local stores have dropped between 50-60 percent because of the strike staged by various labor groups that oppose the Labor Code reforms.

He said "sales have dropped drastically since the workers protests began, and we hope peace returns to our country after the new agreement reached by certain labor leaders with the government." He added that despite these adverse circumstances, no mass dismissals will be made in local stores due to the reduction in sales." [no opening quotation mark as published]

Certain local merchants have expressed concern over the fact the ongoing protests are generating uncertainty in the national economy, thereby slowing the movement of commercial activities. They have warned we would enter a period of recession should demonstrations continue.

Eskenazi said "normalcy will return now that the group led by Mariano Mena of the General Central Organization of Panamanian Workers and Aniano Pinzon of the Confederation of Workers of the Republic of Panama have agreed to reach an agreement with the government," even after they have acknowledged "it is not the best, but it has been the best one that could be reached."

According to Eskenazi, merchants are confident that things will be clear and that the pressure exerted by workers who oppose these reforms will somehow decrease once the Legislative Assembly approves the Labor Code reforms during the third debate. He added that merchants are hoping the reforms after their approval can be implemented effectively so as not to be forced to reduce personnel, should the protests continue.

Despite the fact we are only a few days away from payday, sales are expected to continue being 20 percent below normal, but not like in the preceding days, given the agreement reached by the government with certain workers, Eskenazi concluded.

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Argentina

Menem Notes New Measures To Fight Unemployment

PY1108185595 Buenos Aires TELAM in Spanish 2331 GMT 10 Aug 95

[FBIS Translated Text] Buenos Aires, 10 Aug (TELAM) — Tonight President Carlos Menem announced new measures to strengthen the fight against unemployment. The measures are within the framework of policies with strong social overtones "without demagoguery or easy solutions." Menem stressed that "we are the only ones" in any condition to face this challenge.

The head of state said that "the worst part of the crisis is over" and confirmed his determination "to create a modern labor system capable of defending workers and encouraging entrepreneurs to create jobs."

The president also announced his administration's decision to reduce companies' social contributions by 30 to 80 percent as of 1 September, making clear that the reduction will not affect the financing of social works.

Menem emphasized that the government "will continue using all possible tools to fight evasion," which he characterized as "a true social scourge."

The new package of measures to fight unemployment the president announced today from the White Hall of Government House include an important number of initiatives that will be implemented by different departments.

There is a resolution added to the decision to reduce company contributions as of 1 September "to establish a 30 percent discount on social security contributions for greater Buenos Aires and an 80 percent discount for poorer and more distant areas, with intermediate discounts for other provinces, in the entire economy as of 1 January 1996."

The president said the reduction of company contributions "will not affect the financing of social works," adding that "all (social works) will be guaranteed by an adequate amount per contributor with a deep sense of solidarity."

The reduction of company contributions announced today "will not only promote the hiring of new workers, but also the development of the interior of the country," the president said.

With respect to the fight on evasion, the head of state warned: "No one should deceive himself on this point. We will continue to use all tools at hand to fight evasion, a true social scourge."

Menem said: "We must launch a frontal attack on evasion if we want this jobs program to be effective."

The head of state confirmed that this battle will develop "in the context of an increasing search for equality."

Menem said that the executive branch will send to Congress "a draft bill obligating people who pay profit taxes to justify their spending with documents."

The president added: "If they fail to do this, they will have to pay VAT [Value-Added Tax] on unjustified transactions."

Menem said "this new tool does not attempt to establish or charge a new tax, but to make all transactions clear and to promote the use of invoices currently in effect."

Menem said: "We will make it compulsory for people paying profit taxes and personal assets taxes to have a tax payment certificate proving that they have fulfilled their obligation in both cases."

The president announced that the government "will sent a draft bill to Congress reestablishing the shareholder registration system without affecting the right of property, such as in the past."

"All progressive countries have shareholder registration systems in effect. This system will help us improve the availability of information to control the payment of profit and personal asset taxes," the president said.

Menem added: "The reform has a deep social content because all the money collected on account of those taxes is allocated to the social security system."

"Measures to encourage the creation of jobs in the interior of the country will be complemented with new announcements that I will make in the next few days," the president said, adding: "I have given instructions to the appropriate department heads to prepare a plan integrating proposals to reform provincial states with other measures encouraging the growth of regional economies and company credits."

"With respect to labor relations, I will start by insisting on what I have been saying during years past with regard to the need to deepen the reform of institutions regulating this activity," the president said.

Menem added: "This difficult situation in the area of unemployment only confirms my determination to create a modern labor system capable of defending workers and encouraging entrepreneurs to create jobs."

"The main victims of the antiquated laws we are trying to reform are workers themselves, even though some politicians demagogically affirm the opposite," Menem emphasized.

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Entrepreneurs, Union Leaders React To Menem

PY1108193795 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1201 GMT 11 Aug 95

[FBIS Translated Excerpt] Government officials, entrepreneurs, and pro-government trade union leaders have emphasized the "significance" of the new package of measures launched by President Carlos Menem to reduce the unemployment rate.

Making their remarks at the Government House White Hall, where the measures were launched, or in the city of Mar del Plata, where an Argentine Industrial Union conference was held, the contacted leaders agreed in emphasizing the significance of the announcements.

Trade union leader Antonio Cassia said: "The government has taken the initiative of creating the conditions required to cope with the unemployment problem."

The former CGT [General Confederation of Labor] secretary general admitted that the trade union leaders might "harbor doubts about the reduction of company contributions."

The Menemist trade union leader noted: "If the compensation for social assistance is equitable and balanced, the company contributions system might work. After this has been achieved, I would like to see how many job openings will be created by the entrepreneurs."

Argentine Industrial Union [UIA] President Jorge Blanco Villegas expressed his satisfaction over the announcement on the reduction of company contributions, but preferred not to voice his position on the shareholders registration system [nominatividad de as acciones] "before studying the consequences involved for the industrial sector."

UIA Secretary General Diego Videla said the measure of reducing company contributions had been expected by the entrepreneurs. Nevertheless, he pointed out that the industrialists hoped for "a slightly greater reduction, but, as a beginning, it is significant."

The UIA secretary general also described as "appropriate" the decision of establishing a shareholders registration system, as "it will make it possible to identify the holders of capital." "It is important to establish this system, as it is necessary for all taxpayers to equally pay the Treasury," he said.

Air Force Chief of Staff on Insufficient Funds

PY1108174095 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1655 GMT 10 Aug 95

[FBIS Translated Text] Brigadier Juan Paulik, the Air Force chief of staff, today warned that the lack of sufficient funds for keeping the Air Force personnel "professionally current, at least at a reasonable level, would cause us serious damage difficult to overcome."

Paulik indicated that the Air Force, "as the other defense branches, cannot ignore our country's economic reality." Nevertheless, he pointed out: "It is essential to maintain an extremely balanced view of the military spending issue."

The Air Force chief of staff said it is necessary to achieve "an equilibrium, assessing the necessities to reasonably cover the defense requirements and the government's possible allocations for the priorities established."

Paulik made these remarks at the Condor building [the Air Force headquarters in Buenos Aires] today, during a ceremony to mark another Air Force anniversary. President Carlos Menem, Defense Minister Oscar Camilion, and Foreign Minister Guido Di Tella, among other government officials, were present at the ceremony.

In his speech, the Air Force chief of staff basically discussed the budget issue, which is a cause of serious concern for the military echelon after the announcement of additional cuts in the 1995 budget appropriations.

Paulik said: "We are absolutely mindful of the fact that the impossibility of keeping ourselves technologically and professionally current, at least at a reasonable level, would cause serious damage to our personnel's training level that would be hard to overcome."

The Air Force chief of staff added that this situation "represents a serious problem for high-ranking Air Force officers." He said: "Therefore, it is essential to support and implement new measures to prevent a reduction in the training level of its cadres. If such measures are not implemented, there will certainly be a professional downgrading in the Air Force."

Paulik also cautioned against "the existence of beliefs that encourage arbitrarily reducing the Armed Forces and even transforming them into a pseudo national guard."

In this regard, he said these beliefs "claim, among other reasons, that the low level of conflict in our region does not justify the maintenance of military forces."

In this regard, Paulik pointed out: "It has certainly been admitted that it is unlikely traditional threats, which cannot be settled through negotiations, will be carried out." He indicated: "It would be absolutely hasty, however, to flatly rule out or excessively minimize these threats, at the risk of seriously mortgaging vital national interests and even our nation's negotiating ability."

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Bolivia

Minister Aranibar on Drugs, Relations With U.S.

PY1208005295 Cochabamba LOS TIEMPOS in Spanish 3 Aug 95 p A2

[FBIS Translated Text] Analyzing the first two years of the current administration, Bolivian Foreign Minister Antonio Aranibar said today (yesterday) that, despite efforts by Bolivia, bilateral relations with the United States are still "drug-centered," with no possibility of overcoming this in the short or long term.

He said: "Obviously not. All efforts on this matter by this government simply clash with reality, which is stronger than our capacity for international presence."

According to the 1995 operational plan, the Foreign Ministry saw the need to overcome the problem within Bolivian foreign policy priorities, given that relations between Bolivia and the United States are excessively centered on the drug issue.

A "partial certification" and an underlying "de-certification" threat — through an ultimatum involving the eradication of 1,750 hectares of surplus coca crops and the signing of a new extradition treaty — did not improve our bilateral relations.

The foreign minister said drug trafficking was the main issue that guided relations, despite efforts by Bolivia in other fields, like making U.S. officials understand the profound structural reforms being achieved by the government of President Gonzalo Sanchez de Lozada.

He said: "Unfortunately, the essential point of our relations with the United States — although there is a diversified set of aspects in which there are very significant levels of understanding, among them the reforms being implemented, the United States and other parts of the world understand what we are doing — is that everything is subordinated to the U.S. perspective and a main issue which is drug trafficking and which unfortunately we have not been able to overcome."

He said a pre-established difficult "horizon" lies ahead in the "drug—centered" relations between Bolivia and the United States mainly because of the enforcement issue which is the predominant subject in bilateral relations and which could simplify, almost unilaterally, this complex relationship.

The Bolivian foreign minister stressed the need to restore an equilibrium in the drug enforcement process through the effective implementation of the policy of "shared responsibility" between coca producers — with the cocaine byproduct — and the consumers.

Brazil

Cardoso Analyzes Cabinet Performance

PY1108171995 Rio de Janeiro JORNAL DO BRASIL in Portuguese 9 Aug 95 p 2

[Article from "Castello's Column" by Marcelo Pontes: "Ear-Pulling in the Cabinet"]

[FBIS Translated Text] One of the advantages of an administration comprised of intellectuals is the constant habit of making self-analysis. This is what the Cardoso administration has been doing. In the cabinet meeting to be held on 12 August, the government will question the effectiveness of the cabinet meetings that have been taking place once a month since January.

They are generic and unproductive meetings for which nearly 30 people gather. It is not the ideal setting for mature government decisions. As a matter of fact, meetings attended by all the ministers have never been adequate to decide government policies. These meetings are always solemn, consist of a ritual of announcing decisions, and are never an adequate place to make real decisions. Problems must already have been discussed and resolved by the time they are brought before a cabinet meeting.

This is why President Fernando Henrique Cardoso instructed Civil Household Chief Clovis Carvalho to make the government negotiating boards, which were established right after the presidential installation, begin to function more effectively. When the boards were established, Cardoso gave great importance to what he called the government's matrix-type organization. It referred to a government model in which issues would be discussed first by the negotiating boards. These should be comprised of the heads of the ministries involved in the issue being discussed. The matrix-type organization is so detailed that, below the negotiating boards, there are also committes, which are comprised of the executive secretaries of each ministry. The secretaries are, precisely, those in charge of seeing that the decisions reached by the ministers are complied with.

Carvalho says the model is functioning, but the president believes it can become more effective. Concretely, Cardoso is demanding more action from the administration. He does not want to depend only on the reforms that have already been, or are about to be, sent to Congress over the next few weeks. There are some decisions that only the government can make, and these are left behind either due to the slowness of the administrative machinery, lack of initiative on the part of the ministers, or even because the president of the Republic has failed to pull some ears.

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One of the problems that currently concerns Cardoso is that of the agricultural area. Cardoso believes he has already made all decisions he could to support the farmers. Nevertheless, Planalto Palace has still been receiving complaints that the measures adopted in Brasilia have not reached the end of the line, i.e., the Bank of Brazil offices in the countryside, which are responsible for financing the crops. The president deems such a thing inconceivable, and wants immediate solutions to the problem.

Cardoso 'Reformist Spirit' Viewed

PY1108164995 Rio de Janeiro O GLOBO in Portuguese 7 Aug 95 p 2

[Article from the "Political Panorama" column: "The Aborted Reshuffle"]

[FBIS Translated Text] Lately, the president of the Republic has been dominated by a reformist spirit. During the second half of the year, he plans to implement reforms in the fiscal, administrative, political, and social security areas. He did his best all week long, however, to avoid reshuffling his cabinet. As a result of his efforts, he managed to put Rio Grande do Sul State back into the PMDB [Brazilian Democratic Movement Party] internal negotiations involving contention for the party's command.

During the week, Cardoso held talks with many members of the Rio Grande do Sul PMDB. He spoke to Governor Antonio Britto, and with Transportation Minister Odacir Klein; Justice Minister Nelson Jobim; and Germano Rigotto (PMDB - RS) [PMDB - Rio Grande do Sul], government leader in Congress. He conveyed the same message to them all: Forget that I made gestures to attract you to the PSDB [Brazilian Social Democracy Party]; remain in the PMDB and solve your problems with the Quercia-supporting faction within the party.

The president's motives were very simple. He concluded that, if the Rio Grande do Sul PMDB split with the party, two of his ministers would have been left without party support in the government: Odacir Klein and Nelson Jobim. President Cardoso does not want these ministers to leave his cabinet, just as the Rio Grande do Sul PMDB does not want to lose its space or position in the federal government. None of the parties is interested in reshuffling the cabinet.

On 6 August, the Rio Grande do Sul PMDB leadership met in Porto Alegre to discuss the issue. Their conclusion was the expected one. They will negotiate with the party, at the national level, the names that will comprise the ticket for the party's command, and will make very clear that no one should leave the party, even if Quercia supporter Jader Barbalho, who is Senate President Jose Sarney's candidate, is elected president.

Senator Protests Accord With U.S. on Patent Bill

PY1108194895 Sao Paulo AGENCIA ESTADO in Portuguese 2148 GMT 10 Aug 95

[By Aldo Renato Soares]

[FBIS Translated Text] Brasilia — Last year, Brazil concluded a diplomatic accord with the United States promising to implement a strong law protecting patents, trademarks, business secrets, and access to the market secrets when the Senate was still discussing the Patents Bill. Due to threats of possible U.S. Government sanctions, the Brazilian Government made an accord it could not comply with because the bill still had to be approved by Congress. The Economic Affairs Committee of the Senate approved on 10 August a request submitted by Senator Roberto Requiao (PMDB - PR) [Brazilian Democratic Movement Party - Parana] asking Itamaraty for the original text of the diplomatic agreement signed between Brazil and the United States. Foreign Minister Luiz Felipe Lampreia, who addressed the committee on 10 August together with Science and Technology Minister Israel Vargas, denied that Brazil had signed any agreement with the United States.

First, Lampreia said there have been only talks and agreements, but nothing that could have any legal value. Sen. Requiao pointed out that the U.S. Government still believes in the accord. Lampreia answered: "If they consider that an accord, it is their problem."

U.S. investigation into Brazilian trade practices — which refers to Brazil's failure in recognizing patents — was closed on 25 February 1994 after Brazil signed the accord. The U.S. Government was threatening Brazil with economic sanctions totaling $438 million (an estimate of the trade losses caused by Brazilian piracy with regard to films, songs, computer programs, and books).

Sen. Requiao distributed copies of a report by a U.S. pharmaceutical company — the Pharmaceutical Research and Manufacturers of America — that refers to the accord signed by Brazil. This U.S. pharmaceuticals company was among those that requested the U.S. Government trade representative to file a trade lawsuit against Brazil.

Minister Lampreia did not admit the accord exists. He said: "Brazil only signed TRIPS [Trade-Related Intellectual Property Rights], which is the acronym for the accord on industrial property policy signed within the framework of the World Trade Organization.

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Sen. Requiao, however, was not convinced. He said: "It is inconceivable that Itamaraty would sign an accord on an issue that is still being debated at Congress, particularly at a time when the country did not even know who would be the next president of the Republic."

Senate Ends Telecommunications Monopoly

PY1008213995 Sao Paulo AGENCIA ESTADO in Portuguese 2026 GMT 10 Aug 95

[FBIS Translated Text] Brasilia — By 63 votes to 11, the Senate today finally approved the constitutional amendment that eliminates the state monopoly over telecommunications and paves the way for private participation in this sector. Senator Francelino Pereira (PFL-MG) [Liberal Front Party-Minas Gerais], the rapporteur of the proposal, recommended that the version approved by the Chamber of Deputies be maintained. The approved amendment empowers the federal administration "to provide telecommunications services directly or through authorizations, concessions, or permits in accordance with the laws, which will outline the organization of services, the creation of a regulatory body, and other institutional aspects." The administration has promised to submit a draft law to regulate the opening of the telecommunications area to the private sector to the Chamber of Deputies in the next few days. During today's voting session, Senator Pedro Simon (PMDB-RS) [Brazilian Democratic Movement Party- Rio Grande do Sul] objected to maintaining the version approved by the Chamber of Deputies. Simon said it would have been better to reinstate the administration's original proposal because it guaranteed the public nature of telecommunications services.

Congress Approves Resources, Peace Mission

PY1108151395 Rio de Janeiro JORNAL DO BRASIL in Portuguese 9 Aug 95 p 5

[By Marcelo Moreira]

[FBIS Translated Excerpt] After three decades of nonparticipation in international peacekeeping forces, Brazilians disembarked in Mozambique less than a year ago. Now, 240 Brazilian military personnel are already packing to leave on another mission. On 24 August, members of the Brazilian Engineering Company and the Peacemaking Mission will board two ships bound for Angola, in the southwestern region of Africa. They will have two tasks: help in maintaining peace in a country devastated after 20 years of civil war between two factions that have been competing for power, and in improving the image of Brazil, which has been striving for a seat at the UN Security Council.

The mission's work in Angola will be diversified: One group will reconstruct the 350-km road connecting the capital, Luanda, to Uige Province, in the northern part of the country. The other group, known as shoemaker [sapateiro], will be responsible for deactivating mines. According to UN data, there are 15 million mines in the country. This represents 12 mines per square kilometer.

The cost of the peacemaking operation totals 33 million reals [R]. Congress has already allocated the funds, which are being used to purchase vehicles and materiel.

Another contingent, comprised of more than 800 infantrymen, will leave for Angola on 30 September if the Brazilian Government allocates R100 million more to the mission. The United Nations reimburses 20 percent of the expenses paid by the governments that participate in the mission.

Former Minister Terms Court Backlog 'Untenable'

PY1108205995 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 8 Aug 95 p A2

[Commentary by former Justice Minister Paulo Brossard: "The Time Has Come"]

[FBIS Translated Text] Unless the excessive workload at the Federal Supreme Court [STF] is resolved now, it will collapse. The situation has become untenable.

Look at the facts: In 1994, the STF handed down rulings on 29,112 cases. That is an amazing figure. I would like to emphasize that the number of rulings by other supreme courts is nowhere near even half of the STF figure, which is impressive. During the first half of 1995, or rather during the five working months thus far in 1995, the STF has handed down 18,109 decisions; some 36 percent more than the similar period in 1994. If this incredible "productivity" rate is maintained during the second half of this year, the STF will issue 36,218 decisions in 1995, which is far more than the 29,112 cases decided in 1994, which was the highest figure in the history of the STF. Yet, despite all this, pending cases will continue to pile up in the chambers of the STF justices.

Why is this backlog, which is nonexistent in other supreme courts, occurring at the STF? Court cases are predominantly of a federal nature in Brazil, appeals can be broadly filed, and the Constitution — which is extremely analytical — provides for appeals that are not admissible in other countries. Despite all this, I believe anyone can see that there is a clear explanation for the STF's unprecedented backlog, which stands unequalled in the world: In Brazil the STF may hand down 100 unanimous rulings on a given subject, but new appeals — which are identical to the previous ones — continue

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to be filed as if no decision had been made. Thus, a large number of cases that are identical to those already decided by the STF continue to clog the STF.

I can substantiate what I am saying. This may not be generally known, but that from October 1988 to March 1995 — in six and a half years — 68.32 percent of the STF rulings were repetitive; that is, the STF rulings focused on subjects on which it had already ruled, thus monotonously repeating the arguments contained in unanimous decisions. The situation has now gone from bad to worse. The percentage of repetitive rulings stood at 88.88 percent by March 1995. This now borders on irrationality.

It could be believed that cases similar to previously judged cases would not be time consuming. Wrong: To determine whether two cases are in fact equal, the hearing justice must study each case separately. Some times, the type of action requested — a writ of mandamus or a declaratory action — generates different effects: For instance, regarding legal fees, not to mention the time spent in preparing and reviewing decisions. Let me tell you one thing in confidence: public institutions are the ones taking more cases to the STF and the ones being most reluctant to accept STF rulings.

This situation can definitely not go on like this. Is anyone profiting from this? The STF is not profiting. The justice system is not profiting. The law is not profiting. Society is not profiting. Brazil is not profiting. In fact, everyone is losing. The huge pile of incoming and outgoing cases is using up the time that the STF could devote to examining thousands of other cases that are awaiting the analysis, study, and judgment of the court.

Is there not a solution to this? Of course there is. Yet, every time an attempt is made in this direction, narrow-minded people shut down every available option. The situation, however, has become so untenable that there is no more room for procrastination; if not the STF is going to collapse.

It is unreasonable for the highest court of the nation to be issuing 100 rulings on the same subject and for everything to continue as though no decision had been made. To resolve this problem it would suffice to give a binding nature to all STF decisions taken by an absolute majority of votes. If a law can be declared unconstitutional by an absolute majority vote of the STF and thus be rendered inapplicable, wouldn't it be possible to take into account the large number of STF precedents to preclude thousands of cases from reaching the highest court?

Consortium To Participate in PRC Dam Project

PY1008193795 Rio de Janeiro O GLOBO in Portuguese 6 Aug 95 p 55

[By Walter Huamany]

[FBIS Translated Text] Belo Horizonte — The Andrade Gutierrez, Camargo Correa, Mende Junio, and construction companies have formed a consortium to participate in the construction of the world's largest hydroelectric dam, which will be built in the PRC. The dam has been designed for the Yangze River, the country's largest. The cost of the dam totals an estimated $20 billion, and it will produce 18,200 megawatts. To have an idea of its size, the Itaipu dam generates 12,600 megawatts in comparison.

The consortium, which has been named Union of Construction Companies, Inc. [Uniao de Construtoras Ltda. — Unicon], is preparing to obtain the largest share in the construction of the hydroelectric dam. The national companies are already participating in works involving the infrastructure phase, which is limited to opening of roads accessing the area where the dam will be built, in the central-eastern region of the PRC, near the most densely inhabited part of the country.

Regarding the construction work, the Brazilian companies have only rendered technical assistance for the purchase of equipment and concrete pumping, in addition to organizing technical seminars for the Chinese. So far, there has been no large international bidding for the construction of the hydroelectric dam, which the Chinese named Three Gorges.

According to experts of the Andrade Gutierrez and Mendes Junior companies, the Chinese want to form a partnership with the Brazilian companies, particularly in view of the Itaipu dam's success. Two technological supervision contracts have been signed with the Unicon. The Chinese Anneng is in charge of the initial work, which consists of digging.

The PRC Government has shown interest in constructing the Three Gorges dam basically with Chinese companies, with the assistance of international consortia. The Brazilian companies are willing to become as much involved in the project as possible. Although they do not admit it officially, the construction companies' boards of directors believe their business dealings with the Chinese will probably increase.

The Unicon thinks the hydroelectric dam will be ready in 20 years. As the work will be carried out gradually, the Brazilian companies believe changes may occur during the hydroelectric dam's implementation stages.

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The construction companies' directors said their joint effort may be well-rewarded.

Banespa Privatization Plans Not Approved

PY1108015295 Sao Paulo FOLHA DE SAO PAULO in Portuguese 8 Aug 95 Section 1 p 4

[Article by Carlos Alberto Sardenberg]

[FBIS Translated Text] The privatization of Banespa [Sao Paulo State Bank] is back to square one. The Central Bank yesterday concluded conversations with bankers and experts in capital markets. The conclusion was that the privatization model for Banespa prepared by the Central Bank in cooperation with the Sao Paulo administration is not feasible.

Yesterday in Sao Paulo, Central Bank President Gustavo Loyola met with executives from the Icatu, Indosuez, and Patrimonio banks who are experts in privatizations.

Loyola did not speak about the result of the talks. He only confirmed that the talks had concluded and that now he will evaluate them with Sao Paulo Governor Mario Covas (Brazilian Social Democracy Party).

FOLHA learned that the executives who spoke with Loyola agree on one thing: The suggested privatization model is "worn out" and the Central Bank knows it.

The model meets the political demands imposed by Covas who seems to accept an only partial privatization, in stages, and with the Sao Paulo administration maintaining a strong position in the capital and control over Banespa.

Lawyer Ary Oswaldo Mattos Filho drafted a complex plan by which upon conclusion of the privatization process the Sao Paulo administration and the bank employees would maintain 50 percent control of the shares minus one.

The Central Bank management, which favors privatization without exceptions, was never enthusiastic over Covas' model.

Even so, or perhaps because of this, the Central Bank decided to submit it for examination by executives from the capital market. They held meetings at which Sao Paulo Finance Secretary Yoshiaki Nakano attended.

None of the executives who spoke with Loyola approved the model. They consider it a partial "timid" privatization under which the control of the bank is undefined and subject to disputes.

Whoever buys the Banespa would have to accept the imposition of heavy-weight partners like the Sao Paulo administration and bank employees.

The executives said the model does not specify who will have to pay for losses.

Thus, the Banespa case returns to the same situation it was in when the Central Bank ordered its intervention on 30 December 1994.

The Central Bank sees there is no other solution than privatization, while Governor Covas, with the support of forces ranging from the PT [Workers Party] to the PFL [Liberal Front Party], opposes it.

The bad loans granted by the Banespa totals 20 billion reals. The Sao Paulo administration alone owes Banespa 12 billion reals.

Central Bank Puts Three Banks Under Trusteeship

PY1208035795 Sao Paulo AGENCIA ESTADO in Portuguese 0120 GMT 12 Aug 95

[FBIS Translated Excerpt] Brasilia — The Central Bank today ordered interventions carried out into the following three banks: Economico S.A. [of Bahia], MERCANTIL S.A. (former Mercantil of Pernambuco), and Comercial de Sao Paulo S.A. The financial firms controlled by these three banks have also been put into trusteeship, and will not open their doors on Monday. No date has yet been established for allowing them to attend to their clients. Central Bank President Gustavo Loyola reported that savings account deposits are guaranteed to a maximum of 5,000 reals. Checking account deposits are also guaranteed to the same amount. The intervention does not affect the petrochemical companies in which Economico also has an interest.

[At 0023 GMT on 12 August AE transmits a 150-word report datelined Brasilia, which adds that Senator Antonio Carlos Magalhaes, Liberal Front Party-Bahia, had "received with indignation" the news of "the limit of 5,000 reals established by the Central Bank as guaranteed to the clients of Economico S.A." According to the report, "The senator said: 'The president of the Republic gave me his word that all the clients of the Economico bank would receive their money.' Before the intervention was announced, Magalhaes had spoken with President Cardoso four times over the phone. 'With what was announced, they will end up sending Bahia State to bankruptcy,' was his reaction." The report goes on to note Magalhaes' assertion that Cardoso "had promised him the same treatment for the Economico bank" as that given to Banespa (Bank of the State of Sao Paulo) and Banerj (Bank of the State of Rio de Janeiro).]

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Foreign Investments Banned on Futures Market

PY1208022895 Sao Paulo AGENCIA ESTADO in Portuguese 2334 GMT 10 Aug 95

[FBIS Translated Text] Brasilia — Although exempt from the IOF [Financial Operations Tax], foreign investments on the stock exchange are now subject to a new restriction. The government has banned foreign investments on the futures market [compra de contratos de opcao de acoes]. Foreign capital is authorized to only invest in cash and term operations on the stock exchange. Gustavo Franco, the Central Bank International Affairs director said the futures market [mercado de opcoes] was being used as a fixed earning investment. The Central Bank believes it was used as a cloaked fixed earning investment. Foreign investors have been investing in both sellers and buyers options, making a profit from the difference between interest rates.

Measures To Restrict Foreign Investment Adopted

PY1108151195 Brasilia Radio Nacional da Amazonia Network in Portuguese 1000 GMT 11 Aug 95

[By Corban Costa]

[FBIS Translated Text] The government adopted measures on 10 August to restrict foreign, short-term investment in the country. A 5 percent tax will be levied on cash loans. The Financial Operations Tax levied on fixed-term deposits increased from 5 percent to 7 percent. Inter-banking operations conducted between financial institutions abroad and banks with credentials to operate in the Brazilian exchange market will have to pay 7 percent on their operations. A 7 percent levy will also apply to the money invested by people living abroad in short-term deposits in the country. Foreign investment in the stock markets, however, remains exempt from taxes.

Central Bank President Gustavo Loyola said these measures will stimulate long-term investments. Foreign money invested in Brazil in short-term deposits will not yield profit. There will only be financial profit on investment that remains in the country for a slightly longer period.

The measures were put into force through a presidential decree, a Finance Ministry provision, and a National Monetary Council resolution.

PFL Revives Shadows of Getulio Vargas' Era

PY1108224995 Sao Paulo GAZETA MERCANTIL in Portuguese 7 Aug 95 p A11

[Article by Leticia Borges]

[FBIS Translated Text] The PFL [Liberal Front Party] wants to quickly lessen the alliance that supports President Fernando Henrique Cardoso's administration. The idea, which is already being worked on, is inspired by some convictions of Getulio Vargas [Brazilian dictator and president during the 1930's and 1940's]. It was Cardoso, however, who announced the "end of the Vargas era" in his farewell speech to the Senate, but the PFL is not bothered about that. The party says it is merely copying the former president's political "modus operandi": To administer two parties as a support basis.

PFL President Jorge Bornhausen has had at least one opportunity to discuss the issue with Cardoso. Bornhausen believes that, like Vargas, Cardoso has the "charm and charisma" to deal with two parties of different origins and political-ideological nuances like the PSDB [Brazilian Social Democracy Party] and the PFL, or like the PSD [Democratic Social Party] and the PTB [Brazilian Labor Party] were after the re-democratization in 1945. Vargas led the two parties and, while he was the PTB presidential candidate in 1949, he received most of the PSD votes. Once elected, Vargas got the PSD and the PTB to grant him control over Congress — at least during his first two years in office.

Senator Bornhausen did not comment on Cardoso's reaction to the comparison. He believes it will become increasingly difficult to administer a support basis that includes three or four small parties in addition to three big ones. Diplomatically, however, he does not mention it, but his targets are not the PPR [Progressive Renewal Party] the PTB, the PP [Progressive Party], or the PL [Liberal Party]. These parties, by the way, must change their symbols and characteristics, or simply disappear soon.

The party the PFL wants out of the alliance, however, is the PMDB [Brazilian Democratic Movement Party].

This, evidently, will not occur immediately. After all, during the second half of this year the government will need all the votes it can muster to get approval for the economic area amendments — which have already been approved by the Chamber of Deputies and are now in the final voting stage at the Senate — as well as other fiscal, social security, and administrative reforms. Without the PMDB, this task is almost impossible.

The 1996 municipal elections will be a turning point. They are already too close to allow great changes in

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the political parties scenario. The elections results will also indicate what will happen in the future. In 1998, however, the PFL wants to be allied only to the PSDB.

PSDB members know about the PFL intentions but do not for the time being follow their game plan. One PSDB leader, who did not want to be identified so as not to upset the allied party, says the PFL wants to redesign the actions of Vargas because it does not have a presidential candidate. This person also believes the party will have less of its mayors elected in 1996 and only remain a large party in Congress.

This PSDB member says the PFL has lost ground even in the northeastern region where it traditionally concentrated its forces, and will elect only two governors instead of nine (the party can win one more governor: Amazonino Mendes, of the Amazonas State PMDB). This PSDB member added that the party does not have leadership over the masses, although it is a very well organized party with good marketing techniques and works "nicely" in Congress

The PMDB has several internal problems to confront before beginning to worry about the PFL intentions. Lately, the two parties have been getting along reasonably well.

A more important and imminent variation of this is the election of the PMDB board members, which is scheduled for 10 September. None of the candidates disputing it has the party's unanimous support. It is thus difficult to forecast anything. Throughout the process the government will always receive the worst, but no one believes the government and the party will split.

The discussion also includes the presidential reelection proposal. President Cardoso is the only candidate capable of uniting the PSDB and the PFL. It is he and nobody else. This is why there is so much interest in the amendment drafted by Deputy Mendonca Filho (PFL - PE) [PFL - Pernambuco], which proposes the reelection of all officials occupying executive branch positions. There is no possibility of approving the mechanism for reelecting mayors, while there is a lot of controversy over the reelection of governors; in the case of the president of the Republic, however, many support the proposal.

Deputy Mendonca Filho has been contacted by political leaders of all trends. Last week even Communications Minister Sergio Motta, who publicly defends the reelection theory, contacted him. Mendonca believes the amendment should be voted on this year. Members of the PFL would like to leave the voting for 1997. If by then Cardoso is still doing well, the amendment will be approved without having to include mayors and governors. If Cardoso is no longer popular, the issue will simply be dropped and everyone will have to look after themselves.

Mayor Maluf Masterminds Merger of Parties

PY1108194995 Sao Paulo AGENCIA ESTADO in Portuguese 2117 GMT 10 Aug 95

[Report by Joao Domingos]

[FBIS Translated Excerpt] Brasilia — Deputy Valdemar Costa Neto [Sao Paulo], leader of the Liberal Party in the Chamber of Deputies, today contacted the leaders of the PPR [Progressive Renewal Party], PP [Progressive Party], and PTB [Brazilian Labor Party] to inform them that he would like to join the new party resulting from the merger of these parties. Sao Paulo Mayor Paulo Maluf (PPR-SP), who masterminded the merger, is now dreaming again about the possibility of becoming president of the Republic. Maluf would like to have Agriculture Minister Jose Eduardo Andrade Vieira as his running mate, but Andrade Vieira said he plans to run for governor of Parana State in the upcoming elections. Maluf recommended that the merger be promptly completed so that the new party's legal status can be recognized by 2 October.

This way, Maluf said, the new party will be able to have candidates for councilmen and mayors in the 3 October 1996 elections. He believes that if the new party obtains many mayoral and council seats, it will be able to bid for President Fernando Henrique Cardoso's succession.

In a happy atmosphere, most members of the PPR, PP, and PTB met today met at the Senate. They time and again praised the decision to merge the three parties. On Wednesday night, Andrade Vieira and Maluf had dinner with PPR President Esperidiao Amin (Santa Catarina), PP President Vadao Gomes (SP), PTB President Rodrigues Palma (Mato Grosso), Senate PPR leader Epitacio Cafeteira (Maranhao), Senate PP leader Bernardo Cabral (Amazonas), Senate PTB leader Valmir Campelo (Brasilia Federal District), Chamber PPR leader Francisco Dornelles (Rio de Janeiro), Chamber PP leader Odelmo Leao (Minas Gerais), and Chamber PTB leader Nelson Trad (Mato Grosso do Sul).

They all signed a protocol of intent announcing their decision to begin talks to evaluate the possibilities and conditions for merging into a single party. In order for the merger to materialize, each party will have to approve it in a national convention. Then, the respective executive boards will convene to formalize the merger. All of the members of the three parties will automatically become members of the new party.

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Self-Analysis Sees Government 'Shortcomings'

PY1108163695 Rio de Janeiro JORNAL DO BRASIL in Portuguese 9 Aug 95 p 3

[By Ilimar Franco]

[FBIS Translated Text] Brasilia — The government has made a self—analysis and, based on it, President Fernando Henrique Cardoso will rebuke his advisers and ministers during the cabinet to be held at Granja do Torto on 12 August. Cardoso wants to show each minister the need to seek effectiveness, and will urge them to fulfill their political roles. Cardoso believes there is lack of coordination in the administrative area, that there are political-operational problems with Congress, and that his administration calls for stronger and more consistent work in the social area, particularly in relation to emergency issues.

One of Cardoso's main advisers said: "The president is aware of the shortcomings and will turn screws tighter." During the self-analysis, Cardoso deemed as more than positive results the restoration of ethics and morals in the administrative area, the efforts made to make ensure more than one year of economic stability, and the economic reforms approved during the first half of the year. He does not think the administration is ready, however, for the long path still to be taken.

According to Cardoso, the governmental shortcomings begin at Planalto Palace, where Civil Household Chief Clovis Carvalho is not carrying out his main task of coordinating the government actions. The matrix-type organization Cardoso planned to implement during his administration, wherein the related ministries would function in an interactive manner, has never become a reality. Ministers do not hold meetings, and the lack of coordination in their actions has already created some serious problems.

One of these problems relates to the health area. An adviser said: "Only the lack of joint action in the social area can explain the failure to find a solution to the area's problems." Health Minister Adib Jatene has been defending the new tax alone. If he is defeated in Congress, he will be the one hurt the most. If he had acted as part of a team, he would not have set a trap for himself, and the situation would have been different.

Another example is the agricultural area issue. Agriculture Minister Andrade Vieira has not proven capable of formulating an agricultural policy for the country, and the situation of the small and mid-sized farmers is becoming increasingly more dramatic. To compensate for this shortcoming, Cardoso has established a working group comprised of Pedro Parente, Finance Ministry executive secretary; Economic Policy Secretary Jose Roberto Mendonca de Barros; and Agricultural Policy Secretary Guilherme Dias.

According to the government, these problems could be solved through administrative negotiating boards, and Civil Household Chief Carvalho has already been instructed to put them into operation. The Cardoso administration leadership believes Planning Minister Jose Serra must adopt, more effectively, the role of an ideologist within the government; Finance Minister Pedro Malan must implement the monetary policy; and all other government members must fulfill their respective roles. One of Cardoso's interlocutors said: "The government must have a national project, and Minister Serra could work more actively in its formulation."

Traffickers Change Weapon Smuggling Route

PY1008195795 Rio de Janeiro JORNAL DO BRASIL in Portuguese 6 Aug 95 p 8

[Report by Vasconcelos Quadros]

[FBIS Translated Text] Sao Paulo — The increased level of control at ports and airports following the seizure of 2 metric tons of weapons at the Galeao Airport has forced the drug traffickers of Rio de Janeiro to modify the sources and smuggling routes for their weapons. The weapons now leave Bolivia and Paraguay, cross Sao Paulo, and reach the slums through the cocaine wholesalers. Police Inspector Marco Antonio de Paula Novaes of the Sao Paulo State Narcotics Investigation Department, Denarc, reported: "They are combining the operations. Smugglers and drug traffickers are using the same transportation systems for their weapons and the supplies of drugs."

In less than 40 days, Sao Paulo police intercepted two weapon and drug shipments, which used the same tricks. The drugs and the weapons were hidden together in the false floor of trucks loaded with lumber. After a short stop in Sao Paulo, the trucks would have gone on to Rio de Janeiro loaded with vegetables and grains purchased by the Red Command trafficking gang. The arsenal and quantity of drugs seized are considerable: 130 kg of cocaine and 53 weapons, including heavy-caliber rifles, among them AR-15 and .223 caliber Rugger rifles, which are for military use and can even pierce armored cars.

Squatters, Police Clash in Rondonia

PY1008185195 Rio de Janeiro Rede Globo Television in Portuguese 1615 GMT 10 Aug 95

[FBIS Translated Text] The Federal Police [PF] are going to investigate a battle that broke out between landless people and military policemen in the Corumbiara district, in the Amazon jungle.

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Justice Minister Nelson Jobim has decided to order the PF to investigate the incident upon hearing a report on it from Rondonia Governor Valdir Raupp.

The armed clash occurred when Rondonia military police personnel were trying to enforce a court order to evict 700 families that invaded a farm.

A video clip, which was taken with an amateur video camera by reporter Luiz de Carvalho of Vilhena TV, showed the first shots of the area that was turned into a battleground.

A month ago, the landless people occupied the Santa Helena farm in Corumbiara, south of Rondonia State, 850 km from Porto Velho. Complying with an eviction order issued by a judge of Vilhena, military police personnel started to evict the squatters early on 9 August. Military police personnel stormed into the camp of squatters and burned it to the ground. The squatters resisted and a shoot-out ensued for more than two hours.

The number of victims has not yet been confirmed, but at least 11 squatters and two policemen died during the clash and 53 wounded people were hospitalized in Corumbiara and four other neighboring towns. The police arrested and will press charges against approximately 350 squatters who survived the battle.

A group of judges and prosecutors of Vilhena today contacted the military police commander to ask for explanations about the incident. Delegations of the Brazilian Attorneys Association, of human rights groups, and of the Chamber of Deputies are due to arrive today in Vilhena, Rondonia, to investigate the incident.

Chile

Economic Cooperation Agreement Signed With Israel

TA1108090495 Jerusalem Qol Yisra'el in Hebrew 0500 GMT 11 Aug 95

[FBIS Translated Text] Industrialists from Chile and Israel signed a bilateral cooperation agreement on economic affairs in Santiago this morning.

Our correspondent Menahem Friedman reports that the agreement was signed by Dan Propper, the president of the Manufacturers Association, and his Chilean counterpart at a ceremony with the participation of 150 businessmen from both countries. A delegation of Israeli businessmen headed by Industry and Trade Minister Mikha Harish is touring several South American countries.

Leader Indicted For Insulting Pinochet

PY1208025195 Madrid EFE in Spanish 0055 GMT 11 Aug 95

[FBIS Translated Excerpt] Santiago — The Chilean Supreme Court today indicted socialist youth leader Arturo Barrios on charges of slander and libel against General Augusto Pinochet, former military president and current Army commander.

The Army legal advisory filed charges against Barrios for remarks he made to a television channel during the 21st anniversary of the military coup [11 September 1973] on 11 September.

During the newscast of Channel No. 11 of the Catholic University, the socialist leader said: "Pinochet, Contreras, and their buddies are real murderers."

Special Judge Violeta Guzman, before whom the Army charges against Barrios were filed, had refused to indict the youth leader, a decision that was ratified by the Appellate Court.

However, the second chamber of the Supreme Court acknowledged a new Army appeal and indicted Barrios, former president of the Student Federation of Chile (FECh). [passage omitted]

Colombia

Officials Reveal Plot To Kill Prosecutor General

PA1308033995 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 0130 GMT 13 Aug 95

[Report by Julio de la Rue from the "TV Today" newscast]

[FBIS Translated Text] Attention. Today, authorities reported a plot to murder Prosecutor General Dr. Alfonso Valdivieso Sarmiento. Drug traffickers allegedly offered $25 million, approximately 23 billion pesos, to hire international terrorists to murder him.

The prosecutor general's office has managed to find out that drug traffic sectors prepared the plot and contacted international terrorist organizations to carry it out. One of them was allegedly a Spaniard who belongs to the terrorist ETA [Basque Fatherland and Liberty] organization and had been in Colombia for at least two months.

[Begin Armando Sarmiento, national director of prosecutors, recording] I believe the prosecutor's office has made an important attempt to recover the people's credibility in their institutions. They could kill us, but we hope to get to the bottom of this. [end recording]

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According to the national director of prosecutors, the plot was against the prosecutor general, the deputy prosecutor general, the national director of prosecutors, and the director of the technical investigation corps.

He also revealed that the two bombs found yesterday, in a path used regularly by the prosecutor general and the national director of prosecutors, were part of this plot.

[Begin Sarmiento recording] An expert in this field told us that this bomb could easily break through an armor plate No. 6, which does not exist in the country.[end recording]

After the plot was discovered, the prosecutor general's security and protection system was radically changed and his routes to and from the prosecutor's office were modified.

Priest Bernardo Hoyos Says Samper Should Step Down

PA1308040295 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 0130 GMT 13 Aug 95

[Report by Saul Amador Barreto from the "TV Today" newscast]

[FBIS Translated Text] Priest Bernardo Hoyos said today that he is convinced Santiago Medina, the former treasurer of Ernesto Samper's campaign, spoke the truth when he testified at the prosecutor's office on the infiltration of drug traffickers money in this campaign. He also stated emphatically that Samper does not deserve to continue in the presidency.

[Begin recording] [Unidentified reporter] Do you believe Medina's statements are really true?

[Hoyos] I believe so. Of course, there could be errors, but in essence, it is the truth. [end recording]

Father Hoyos presented new objections to President Samper's administration.

[Begin recording] [Hoyos] This kind of leader does not have the morals to continue to lead the country because people do not believe him anymore. Everywhere in the country — you have noticed this too — [words indistinct], most people agree that such corrupt politicians do not have the morality to continue to govern the country. [end recording]

Hoyos Montoya came out publicly to say that he had not received any money from drug traffickers and asserted that the scandals that have taken place during the Samper administration have dealt a strong blow to the country. He announced that he would make a new announcement at the Rincon Latino, his usual meeting place in Barranquilla, tomorrow.

Self-Defense Groups Said To 'Massacre' 18 in Antioquia

PA1308195395 Santa Fe de Bogota Inravision Television Canal A Network in Spanish 1800 GMT 13 Aug 95

[From the "Cripton Newscast"]

[FBIS Translated Excerpt] Eighteen people were murdered early this morning in Chigorodo Municipality, in the Uraba region of Antioquia Department. This massacre brings added mourning to a region that has been thrashed for years by a dirty war between subversive and paramilitary groups.

During an incursion by self-defense groups operating in Antioquia's Uraba region, 18 people were massacred last night inside the Aracataca Ice Cream Parlor, in Chigorodo Municipality. Fifteen of the victims were men, and three were women. A large group of people with automatic weapons carried out the incursion.

Simultaneously, in Apartado, a municipality 60 km from Chigorodo, another paramilitary group murdered six people in La Campesina Bar, downtown Apartado. Two of the victims were soldiers on leave of the 17th Brigade, headquartered in Carepa. [passage omitted]

In Chigorodo, most of the victims were people from the area. According to people who were near the site of the attack, the attackers proclaimed this action was against guerrilla supporters. Unidentified people apparently took away the bodies of three other people.

Military and police authorities arrived at the site early in the morning. Several of the bodies are still at the site:

[Begin recording] [Unidentified reporter] Have the attackers been identified or is there any clue as to who they are?

[Chigorodo Mayor Oscar Castrillon] The masterminds have not been fully identified. As you know, the community is most unresponsive when attacks of this nature take place. We have a very particular situation. The houses near the site of the attack are locked from the outside, meaning their occupants have moved from their residences so as not to have to provide information. [end recording] [passage omitted]

Samper Rated on Achievements in Office

95CA0332A Santa Fe de Bogota EL ESPECTADOR in Spanish 6 Aug 95 p C1

[FBIS Translated Text] The first year has not been easy for the president of the republic, Ernesto Samper Pizano. Of course, the events with which he has been forced

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to contend have had an impact on Colombian public opinion.

To learn the nation's opinion of the chief executive's performance, EL ESPECTADOR and the National Consulting Center conducted a poll, the sample for which consisted of 1,201 persons of both sexes, located in Bogota, Medellin, Cali, Barranquilla, and Bucaramanga.

The purpose was to learn the view held of his image, management, and performance with respect to the economy, peace, the drug traffic, justice, education, health, and citizens' security.

It also included the influence exerted by the United States Government during the past year.

Image

Unlike what occurred in the polls taken in previous months, which showed that the president's image was good, those polled believe that his present image is fair (42 percent). This figure is close to the number of those considering his image good (34 percent). Only 7 percent described it as very good, 12 percent rated it as bad, and 5 percent as very bad. It is obvious that the most recent events have hurt the chief executive's image.

When the scoring by sex is reviewed, the figures are similar to the grand total. The highest numbers appear in the fair option for males (41 percent) and females (44 percent).

The majority of the responses by cities establish the president's image as fair (42 percent), followed by good (34 percent), bad (12 percent), very good (7 percent) and very bad (5 percent).

In Bogota, the opinion is divided: distributed between fair (40 percent) and good (37 percent); in Medellin, between fair (45 percent) and good (31 percent); in Cali, between fair (47 percent) and good (26 percent); in Barranquilla, between good (39 percent) and fair (33 percent); and in Bucaramanga, between fair (49 percent) and good (30 percent).

As one infers from the figures, President Samper has lost image, while retaining some of his popularity. However, the numbers affirm that he is in the uncomfortable position of being considered fair: that is, facing prospects near the brink of unpopularity.

The President's Management

Once again, the total figures indicate the options of fair (46 percent) and good (36 percent). Only 3 percent rate him as very bad, and only 6 percent as very good.

Following the percentages on the cities table, the good option (46 percent) exceeded the fair (43 percent) only in Bucaramanga. The fair option takes precedence in the other cities.

Although President Samper's management is rated as moderate, that rating has tended upward. It is an area that is not very favorable to him: in other words, he is like a student who sometimes passes and at other times does not.

Samper and the Sectors

When views are expressed on the president's management of the different sectors and processes, the Social Pact does not come out very well. Nevertheless, his activity related to the drug traffic is outstanding. In this area, those polled think that the management has been good (41 percent).

Only 2 percent of those polled rated his management of the economy as very good, and and 49 percent rated it as fair. The same figure was obtained in the opinion by sex. It is interesting to note that 20 percent of the sample claimed that the economic management has been bad, and 23 percent rated it as fair.

As for peace, justice, education, and health, the percentages stand at fair, with approximately 42 percent for each sector. If the fair, bad, and very bad figures are combined here, we have approximately 55 percent.

The area that comes out worst is citizens' security: 36 percent rated it as fair, 16 percent as good, and the combined bad and very bad ratings total 48 percent.

Hence, one infers that, for handling the country's principal problems, the government is facing a challenge to be met, especially with respect to citizens' security, peace, education, economy, and health. If any hypothesis is possible, it may be thought that the Social Pact does not yet have the necessary force to convince Colombians.

The rating from the cities concerning the management of the sectors shows figures similar to those cited: in other words, good only in the case of the drug traffic, and very deficient in that of citizens' security.

The foregoing prompts one to consider the need for expending major efforts for security and for the projects and programs articulated in the Social Pact. It is interesting to observe that the very good rating, insofar as the management of sectors is concerned, proves to be the lowest figure of all.

The president does not come out very well in terms of being demanding, and being generous.

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United States Influence

In response to the question: do you think that the United States Government has influenced our country during the past year?, 65 percent answered that this influence is greater than in previous years. Males hold this view more than females do: 72 versus 59 percent.

The U.S. influence is thought to have increased by 65 percent last year. The distribution is as follows: Bogota, 66 percent; Medellin, 56 percent; Cali, 81 percent; Barranquilla, 63 percent; and Bucaramanga, 56 percent.

After a year of government, it is evident that there are serious reasons for the president to reflect and to be concerned. Standing on the center line, with large numbers on the low side, and, at the same time, with little opinion favoring him with the best rating, could mean that recent events are quickly changing the opinion held of Samper. It could also mean that Colombians expect far more from a government that promised to boldly attack the country's most urgent problems. So, that's it, Samper: fair, no more.

The Rating Given to: (figures are in percentages)

	Good	Very Good	Bad	Very Bad	Fair
The President's Image	34	7	12	5	42
The Rating Given to the Management of: (figures are in percentages)					
The Economy	23	2	20	5	49
Peace	23	3	26	8	41
The Drug Traffic	26	10	16	9	41
Justice	32	3	17	6	42
Education	26	3	21	5	45
Health	28	2	21	6	43
Citizens' Security	15	1	28	20	36

Source: National Consulting Center

Question of Presidential Succession Viewed

95CA0335A Santa Fe de Bogota SEMANA in Spanish 8 Aug 95 p 66

[Commentary by SEMANA columnist Maria Isabel Rueda]

[FBIS Translated Text] People have begun whispering with increasing persistence about the possibility that President Ernesto Samper may have to leave office, for one of two reasons: It might be because the Accusations Committee of the House of Representatives finds him guilty, and charges him before the Senate. This is a highly unlikely contingency, because congress members in general also are prone to the habit of accepting money from the drug traffic for their campaigns, with very notable exceptions. Or it could occur because his political situation becomes untenable, amid increasingly adverse public sentiment that no longer believes either in the president, his ministers, or his government. This situation would be aggravated by disapproval from the rich (we should remember that it is the rich, not the poor, who overthrow governments), repudiation by the business-owning class, and the worsening of economic conditions. They would find as a response only the lack of authority of a morally challenged chief executive.

So, since the possibility of a presidential resignation is not precluded amid the confused, difficult, and demoralizing situation in which we have been left submerged by Santiago Medina's confessions, it is better to sit down and discuss this. We had better analyze, candidly, what awaits us, which is the worst of the scenarios, and what we can do to avoid reaching it.

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The first question is who would replace the president, and the first answer that occurs to us is Vice President Humberto de la Calle. However, it is not clear whether De la Calle could assume the presidency, amid a controversy triggered by illegal money that paid for a campaign in which he was on the ticket, even though he surely did not participate at all in the procurement of those "narco"-funds. The real fact is that the money from the drug traffic that helped to elect Samper also helped to elect De la Calle, because it was the same campaign, and it was invested for purposes that served them both. It would be even more serious for the country if these considerations were not taken into account, and if, once De la Calle assumed the presidency, the same controversy over the "non sancto" [unholy] origin of his entitlement continued to occur in the country. I do not believe that the country can withstand a second chapter of this hell that we are experiencing.

And if, as it appears, De la Calle could not take office for reasons more political than legal, we would reach the worst of the scenarios: that of Article 203 of the Constitution, which stipulates that, in the absence of a president and vice president, it is the Congress that shall meet to select a new president of the republic.

Ironically, we would confront here the first great failure confirmed for the Constitution of 1991, which abolished the legal institution of the designate, replacing it with that of the vice president. The argument was that whoever has a presidential capacity must have the same origin as the president. If the designate still existed, his function, with Samper gone, would be to call for new elections, and the popular nature of the election for the chief executive would be preserved.

However, if it is impracticable to play the card of the vice president, Colombia would be left subjected to the possibility of having its next president imposed by the country's most discredited body, the one with the least credibility and the least popularity; and hence, with the least legitimacy. What could come out of this combination? Well, nothing less than the worst president in Colombia's history. Could a president elected by this corrupt Congress possibly give a guarantee?

Besides, it must be admitted that if there is any Colombian in Colombia who is risking his life, his honor, his career, and his future, it is President Samper, in his battle against the Cali Cartel. And whereas this so often challenged president can at least demonstrate concrete, surprising results in this battle, such as the breakdown of the cartel's top echelon, the Congress cannot demonstrate any results in purging itself. On the contrary, it can only exhibit scandalous acts of collusion with the cartel, such as Law 87 of 1993 (the one reducing sentences) which, according to experts on the subject, was clearly written by those interested in its benefits.

At this point in the reflection, I wonder which could be worse: whether it would be the country's collective effort to commit itself to the political goal of saving Samper and preserving the stability of the mistreated system, or playing the Russian roulette of ending up being governed by a president of the Congress.

Ex-Attorney of Medina To Be Investigated

95P20964A Santa Fe de Bogota EL ESPECTADOR in Spanish 4 Aug 95 p 5A

[FBIS Translated Excerpt] The Judiciary Council will conduct a disciplinary investigation of attorney Ernesto Amezquita Camacho, the former defense counsel of Santiago Medina. Medina, who served as campaign treasure for Ernesto Samper's presidential campaign, has accused Amezquita Camacho of having pressured him during his testimony to prosecutors in connection with Case 8000.

Prosecutor General Alfonso Valdivieso Sarmiento requested the investigation of Amezquita Camacho before the Disciplinary Chamber of the Judiciary Council, where magistrates will be assigned to the case this Tuesday.

Amezquita Camacho could find himself facing one of the four penalties stated in decree 196 of 1971 which establishes the Statute of Attorneys. These range from a private warning, public censure and provisional suspension, to being barred from the profession.

The Prosecutor General Speaks

Prosecutor General Alfonso Valdivieso Sarmiento himself explained yesterday in Bucaramanga that the Prosecutors Commission considered it appropriate to transfer the case to the Superior Judiciary Council to establish the extent to which the attorney's actions had obstructed Case 8000.

He likewise stated that he had no evidence of conversations between the attorney and Interior Minister Horacio Serpa.

However, he said that he would not find it irregular if such evidence had indeed been presented. "The minister, as an official, could well have had them, but I have no evidence of this," added Valdivieso.

He said that an assessment will be made with regard to each one of the names mentioned by Medina during the testimony, because a mere mention does not imply a connection with the events surrounding the case, nor

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that an investigation will automatically be initiated. "The mention [of a name] could result in the person being summoned, depending on how the situation is evaluated," said Valdivieso. [passage omitted]

Commentator on Impact of Political Crisis

95P20967A Santa Fe de Bogota EL TIEMPO in Spanish 6 Aug 95 p 4A

[Commentary by EL TIEMPO columnist Enrique Santos Calderon: "What the Country Expects"]

[FBIS Translated Text] Tomorrow the Samper administration completes its first year. I do not recall another president in our republic's 175-year history who has reached the end of his first year of government in such a battered state.

So, the obvious question that occurs to me (to everyone, I imagine) is how he will be able to govern during the three years that remain. In what state of mind, if that sword of Damocles—the still unclarified suspicion that he was elected with drug money—continues hanging over his head? How will he be able to concentrate on the basic duties that demand his attention, if "Medinagate" continues growing and growing?

With what authority or credibility, if versions continue to circulate, checks continue to appear, or statements as chilling as those of his former campaign treasurer continue to be published? With what leadership capacity when the polls indicate that a growing sector of public opinion does not believe that Samper didn't know anything about anything?

Fernando Botero said he resigned because he could not be a part-time defense minister, devoting the other half of his time to defending himself from accusations linking him to Cali Cartel money in the campaign. Could Colombia, which endures just about anything, endure a part-time president?

What people are asking now is how badly wounded is the chief of state after one of the most disconcerting, depressing, and destabilizing—not at all "entertaining"—weeks the country has experienced recently.

A week in which nothing less than the institution of the presidency has been jeopardized. It was all we had left, in a country where the legislative and judicial sectors have been immersed for some time now in the gravest of crises. And where the economy—that other support which has kept us afloat in the midst of breakdown and violence—is not only beginning to falter, but showed an immediate negative reaction to the lastest events. The drop in the stock exchange and the increase in the value of the dollar on the black market speak for themselves.

In the judicial realm, President Samper's horizon may be more or less clear. This is not the case in the political realm or with regard to his personal credibility. Because we are not facing a problem which is strictly legal in nature. Nor would Samper be served by an absolution by the Accusations Commission of the House of Representatives, presided over by a representative whose running mate is linked to Case 8000.

Nor, I believe, is it a matter of having to prove whether Samper approved or if he knew. With regard to the president of the republic the burden of proof is inverted. It is he who has to refute in a detailed and convincing manner all the accusations made by his former treasurer. It is the president who has to show Colombians beyond a shadow of a doubt that he had nothing to do with, nor knew anything about, drug money in his campaign.

It this is not done, the drama will continue. The political problem will become increasing unmanageable, and the president's credibility will begin an irreversible process of erosion.

If Samper does fall, it will not be because of legal technicalities but because of public opinion. Because of an increasingly antagonistic atmosphere. Because of a situation which is increasingly ungovernable (the Conservatives are at the point of withdrawing from the government). In other words, because of a political problem in the real sense of the word. It would be worrisome if the head of state's attitude were one of not recognizing the realities of politics and public opinion which are being created. If he were to limit himself to clinging to power, to opening an umbrella to shield himself from the fan or to say that all the information, testimony, or accusations on this subject is playing into the hands of an evil and vindictive strategy of the Cali Cartel.

It would be a defensive tactic, explainable perhaps from a personal or human point of view, but not very convincing. It would not resolve the underlying problem, nor would it restore either a sense of security, or the public confidence necessary to govern a country during the long period of time that remains to him.

What the country expects is for the president to do exactly what he announced in his much applauded speech to the Fedemetal assembly in Barranquilla: to answer and refute Medina's statements one by one. That, and to unequivocally and without hesitation distance himself from, and remove from the government any minister, official, or ally who might be linked to this case.

This is the conduct the president should adopt so that there will be light at the end of the tunnel. That

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light which, in his speech in Barranquilla, he said he was already seeing—in what was, perhaps, an overly optimistic vision of what is happening.

Because there are still many things to be explained, accusations to be refuted, and doubts to be cleared up so that Colombians can see, radiantly and unequivocally, that light at the end of the tunnel. And are convinced that what they see blazing is the flame of truth.

The resolution of this crisis cannot stop in the middle of the road. That would be the worst, the most unhealthy thing for the country and its institutions. And the most demoralizing for Colombian society. And with what authority can the people be told not to violate the law, if, those at the top do not set an example for what they proclaim. If there is anything positive about this whole affair it is that it has demonstrated that there is still the capacity to react; that we have a prosecutor general who is independent and who takes action, and a press that informs; that there are ministers who fall and treasurers who go to jail.

That is the healthy side of the crisis. That which—if we get to the bottom of this and the truth prevails—can bring about the authentic moral restoration that Colombia needs.

Ecuador

Congress President Discusses Duran-Ballen Speech

PA1108212895 Quito Voz de los Andes in Spanish 1700 GMT 11 Aug 95

[Report by Mariela Ceballos from Congress; from the "Voz Andes Newscast"]

[FBIS Translated Text] Deputies of different political factions reacted today to President Sixto Duran-Ballen's leaving the Congress session last night. Fabian Alarcon, the new Ecuadoran Congress president, has justified the president's decision to leave the Congress because of the lack of quorum. Alarcon said he does not think legislative blocs have had any political reasons to boycott the president's report, however.

Alarcon said: I am not justifying the deputies' absence from the Congress to listen to the president's report. I expect this incident will not mark the beginning of a power struggle.

[Begin Alarcon recording] I deeply regret last night's incident. Nevertheless, I do not think there is any political reason by any one faction or lawmaker to boycott the president's report. Rather, I believe the deputies were absent as the result of the long and exhausting session. In particular, I think the incident was caused by the fact that a reform that we proposed some time ago has not yet been accepted. The reform proposed advancing the date of the election of the Congress authorities every year so it does not coincide with the president's state of the nation address, a coincidence that has always caused us the same problems.

Anyway, last night's session was one of great order and respect among the lawmakers and toward the public. The Congress authorities were elected, and the Congress was formed peacefully. I regret yesterday's incident and will not justify the absence of some lawmakers, whose main responsibility is to attend the Congress sessions. I also think it necessary to keep this incident from becoming the beginning of a power struggle we do not want. We are firmly convinced that the country demands great unity of action through national objectives shared by the executive and the Congress. We believe in a permanent dialogue between the two branches to establish clear aspirations for the country. [end recording]

Alarcon also said that Duran-Ballen had constitutional and legal reasons to withhold his report. I am hereby inviting the president in public to set a day and a time to come to the Congress and read his report, Alarcon said.

[Begin Alarcon recording] We are inviting the president to set a day and a time to come to the Congress to read his state of the nation address to the Congress. He can rest assured that the lawmakers will be present for such an important event. However, it is up to the president to answer this public invitation, which I will also extend through the normal and formal channels in a few hours. [end recording]

Alarcon said he is willing to take the first step and that, for this reason, he will invite Duran-Ballen to come over to the Congress on Monday to read his report. Alarcon said that this does not mean, however, that the Congress (?relinquishes) its supervising authority, which is part of democracy. What I am doing, Alarcon said, is calling for a dialogue.

Peru

President Returns 'Useless' U.S. Drug Helicopters

PY1208024395 Madrid EFE in Spanish 1746 GMT 11 Aug 95

[FBIS Translated Text] Lima, 11 Aug (EFE) — Peruvian President Alberto Fujimori has announced that he will promote a greater drop of the coca price, a move that will affect thousands of peasants. He also confronted the United States by returning 10 helicopters that had been on loan for drug enforcement operations. He said they were useless.

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Fujimori said last week his government sent a note to the U.S. Drug Enforcement Administration (DEA) asking for the replacement of the helicopters to be able to "efficiently fight drug trafficking."

The U.S. authorities did not answer the note. Therefore, the Peruvian Government decided to return the helicopters, one UH-1H and one Bell 2-12 used during the Vietnam war, which Fujimori considers "obsolete and inefficient."

The returned helicopters have been replaced by six modern MI-17 Russian-made helicopters which carry 20 people each, recently purchased with some of the scarce funds of the Peruvian Treasury.

The Peruvian media reported that the U.S. Government may have reacted to this with a concealed threat to label Peru, in 1996, a country that does "not cooperate" in the drug enforcement strategy.

Fujimori said the United States, the leading cocaine consumer in the world, has approved a $30 million loan over 5 years, "to grant credit to the peasants and to build a highway and power grid in the coca growing areas."

He said that during the U.S. fiscal year that ends in September, Washington only granted Peru $12 million for the maintenance and fuel for the helicopters and to pay the DEA agents' per diem.

He added: "This is not enough, but we hope the consumer countries will finance alternative development projects."

Fujimori asserted that his government will promote a greater collapse of the coca price. During the past weeks it has dropped from $60 to $5 [figures as received] per arroba (11.5 kg) due to the dismantling of the drug "cartels" in Colombia.

He said the purpose of this is to get coca growing peasants "to plant legal crops."

The Peruvian Government will implement a program to construct highways that will link the jungle with the markets on the coastline and promote alternative crops as a "comprehensive solution" to the problem.

The drop in the coca price has ruined the economy of thousands of coca growers, who have declared a state of emergency and asked the government to increase the price of the coca used to manufacture cocaine.

According to unofficial information, some 250,000 peasants are engaged in coca production, of which some 35,000 do so legally and can sell to the state enterprise Enaco [National Coca Enterprise] at $39 per arroba.

Peru, the biggest coca producer, produces two thirds of the pure cocaine consumed in the world, which is processed by the Colombian mafias.

Peruvian coca has lost its main market and its price has gone downhill following the dismantling of the Colombian cartels.

Foreign Minister Attends Reception at Ecuadoran Embassy

PY1108151595 Madrid EFE in Spanish 2119 GMT 10 Aug 95

[FBIS Translated Text] Lima, 10 Aug (EFE) — Peruvian Foreign Minister Francisco Tudela attended today an official reception given by the Ecuadoran Embassy to celebrate the independence anniversary of that country. This was interpreted as a new gestures of relaxation between the two countries.

In addition to Tudela, the reception was also attended by Peruvian Deputy Foreign Minister Eduardo Ponce; ex-UN Secretary General Javier Perez de Cuellar, who is the leader of the opposition; and congressmen of all political sectors.

All of them held a cordial gathering with Ecuadoran Ambassador Gustavo Ruales, who pointed out "the unquestionable progress being made in the pacification process" between Ecuador and Peru.

In January and February, the two countries were engaged in an undeclared war in their common Amazon border region caused by an old territorial claim made by Ecuador, which refuses to accept the border established by the 1941 Ecuadoran-Peruvian treaty.

Ruales also said that the upcoming visit of President Alberto Fujimori to Ecuador to attend the Rio Group summit "is an important step for progress toward the consolidation of peace" between the two countries.

Hours before the reception, Ruales headed a public ceremony to place a floral wreath at the statue of Simon Bolivar, who was the liberator of Great Colombia, of which Ecuador was a part early in the last century before becoming an independent republic.

Organic Law on National Election Board Published

95SM0423A Lima EL PERUANO (LEGAL SUPPLEMENT) in Spanish 21 Jun 95 pp 132531-132535

["Text" of Organic Law on National Election Board]

[FBIS Translated Text]

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Law No 26486: Organic Law on National Election Board

The President of the Republic

Whereas:

The Democratic Constituent Congress has issued the following Law:

Organic Law on National Election Board

Title I: General Provisions

Article 1

The National Election Board is an autonomous organization with legal status as a government agency. It is responsible for administering justice in electoral matters; for supervising the legality of the exercise of the vote; for conducting election processes, referenda, and other popular votes; for preparing voter registration lists; for maintaining and keeping custody of the registry of political organizations; and other functions as stated in the Constitution and the laws.

Article 2

The supreme purpose of the National Election Board is to ensure respect for and compliance with the people's will, as manifested in election processes.

The National Election Board exercises its duties through its hierarchical organs as stated in the present law. There is no, nor shall there be any, electoral jurisdiction independent of the National Election Board.

Article 3

The National Election Board, together with the National Election Process Office and the National Identification and Civil Status Registry, make up the Peruvian Election System, in accordance with the provisions of Article 177 of the Political Constitution of Peru. It maintains permanent coordination with these agencies, based upon their functions.

Article 4

The legal address and headquarters of the National Election Board shall be located in the capital of the republic.

Title II: Functions

Article 5

The functions of the National Election Board are:

- a. To administer justice as the final authority in electoral matters.
- b. To oversee the legality of the exercise of the vote.
- c. To oversee the legality of the execution of electoral processes, of referenda, and of other popular votes, in accordance with the provisions of Article 178 of the Political Constitution of Peru and with the legal regulations governing such processes.
- d. To oversee the legality of the preparation of voter registration lists, keeping them up to date, and ensuring their final correction prior to each election process.
- e. To maintain and keep custody of the registry of political organizations.
- f. To act as the final and definitive authority in resolving the inscription of political organizations and of their candidates in election processes.
- g. To ensure compliance with the regulations on political organizations and other provisions relating to electoral matters.
- h. To proclaim the results of a referendum or of any other type of popular vote.
- i. To proclaim the candidates or options elected in election processes, referenda, or other popular votes.
- j. To issue credentials to candidates elected in election processes, referenda, or other popular votes.
- k. To declare invalid an election process, referendum, or other popular vote in the cases cited in Article 184 of the Political Constitution of Peru and the laws.
- l. To issue the resolutions and regulations necessary for its operations.
- m. To act as the final authority in resolving complaints filed concerning the formation and operation of Special Election Boards.
- n. To receive and recognize the credentials of representatives of political organizations.
- o. To resolve appeals, reviews, and complaints filed against the resolutions of Special Election Boards.
- p. To clarify questions of a generic character, not related to specific cases, which the Special Election Boards and other organizations of the Election System may ask about the application of election laws.
- q. To report persons, authorities, officials, or government employees who commit criminal infractions listed in the law.
- r. To review, approve, and monitor the expenditures of the Special Election Boards, in accordance with their respective budgets.

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- s. Acting at the request of the National Election Process Office, to divide election districts into smaller units to facilitate the election process;
- t. Acting as the final authority, to resolve criticisms concerning the inscription of candidates or options.
- u. To declare vacancies in public offices and to proclaim the candidates who by law are to fulfill these offices.
- v. To authorize for each election process the use of the Voter Registration List prepared by the National Identification and Civil Status Registry.
- w. To design and execute election training programs for members of Election System organizations.
- x. To develop election education programs to create civic awareness among citizens. For this purpose it may sign agreements with schools, universities, and the media. This function shall not be exercised during election processes.
- y. To appoint or remove the Secretary General of the National Election Board.
- z. To exercise other functions within its jurisdiction and established in the present law and in current electoral legislation.

Article 6

Disputes concering the jurisdiction of the National Election Board and the National Election Process Office or the National Identification and Civil Status Registry shall be resolved by the Constitutional Tribunal in accordance with the appropriate law.

Article 7

The National Election Board has the initiative in preparing legislation on electoral matters.

Title III: Organic Structure

Article 8

The organic structure of the National Election Board is the following:

- a) Permanent Organs

- Top Management

-

Plenum of the National Election Board

-

General Secretariat

-

Control Organ:

-

Internal Control and Auditing Office

-

Advisory and Support Organs

- b) Temporary Organs

- Special Election Boards

Chapter I: Permanent Organs

Article 9

The Plenum is the supreme authority of the National Election Board. It is a collegial body composed of five members, appointed in accordance with the provisions of the present law and of Article 179 of the Political Constitution of Peru. Its headquarters are in the capital of the republic and it has national jurisdiction.

Article 10

The members of the Plenum of the National Election Board are elected:

- a. One by a secret vote of the Supreme Court, from among either its retired or active magistrates. In the latter case, the person selected is granted a leave of absence.
- b. One by a secret vote of the Supreme Prosecutors Board, from among retired or active Supreme Prosecutors. In the latter case, the person selected is granted a leave of absence.
- c. One by a secret vote of the Bar Association of Lima, from among its members.
- d. One by a secret vote of the deans of the law schools of the public universities, from among their ex-deans.
- e. One by a secret vote of the deans of the law schools of the private universities, from among their ex-deans.

Article 11

Members of the Plenum of the National Election Board shall be elected by the institutions listed in Article 10 of the present law through a secret, direct, and universal ballot by their members, and by a simple majority.

At the same time, these institutions shall elect two alternate members, who shall successively replace the regular member in the case of death or permanent or temporary incapacity, for as long as such incapacity or unforeseen impediment lasts.

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Article 12

The following are prohibited from being members of the Plenum of the National Election Board:

- a. Persons under the age of 45 and older than 70.
- b. Candidates for public elective office.
- c. Citizens who belong formally or have belonged in the last four (4) years to a political organization, who hold leadership positions of a national character in political organizations or who have held such positions within the four (4) years prior to their candidacy for the Plenum, or who have been candidates for public elective office in the last four (4) years.
- d. Members of the Armed Forces and the National Police in active service.

Article 13

During the exercise of their duties, members of the National Election Board shall enjoy the same honors and rank as members of the Supreme Court of the Republic. The regulations on responsibilities and penalties prescribed for members of the Supreme Court shall be applicable to them.

Article 14

Serving as a member of the Plenum of the National Election Board is a full-time and exclusive occupation. Its compensation is equivalent to that provided for a member of the Supreme Court of the Republic.

Article 15

Serving as a member of the Plenum of the National Election Board is incompatible with any other public function, except part-time teaching.

Article 16

The position of member of the Plenum of the National Election Board may not be resigned during election processes, referenda, or other popular votes.

Article 17

The members of the Plenum of the National Election Board are elected for a term of four (4) years, and may be immediately reelected for one additional term. After another term has elapsed, they may again be elected as members of the Plenum, subject to the same conditions.

Article 18

The following are causes of vacancy of a seat on the Plenum of the National Election Board:

- a. Resignation, without prejudice to the limitation contained in Article 16 of the present law.
- b. Death.
- c. Grave temporary physical disability—either temporary, lasting longer than 12 months, or permanent; and proven mental disability.
- d. Unforeseen impediment.

In the cases listed in sections a) and b) it shall be the responsibility of the President of the National Election Board to declare the vacancy within five (5) days of its occurrence. In the remaining cases, the declaration of vacancy shall be the responsibility of the Plenum of the National Election Board, within a period of thirty (30) days. When the causes listed in this article occur during election processes, referenda, or other popular votes, the post shall be filled provisionally within a period not to exceed three (3) days, in a successive manner and in accordance with the requirements stated in Articles 11 and 19 of the present law.

Article 19

The first alternate member shall assume the post and become a member of the Plenum of the National Election Board immediately after the vacancy of the regular member's seat has been declared, in accordance with Article 18 of this law. In any case, the inclusion of the first alternate on the Plenum shall take place within five (5) calendar days after the vacancy has been declared, or the expiration of his election must be declared. The same rule is applicable in the case of the second alternate member.

Article 20

If the second alternate member does not join the Board or has some duly founded impediment preventing him from doing so, the appropriate institution shall call a vote to select a new regular member and two alternate members for the Plenum of the National Election Board. The selection must take place within thirty (30) calendar days following the expiration of the period allowed for the second alternate member to assume the post.

Article 21

Every two (2) years the members of the Plenum of the National Election Board shall be replaced through a rotating system.

Article 22

The Plenum of the National Election Board is chaired by the member elected by the Supreme Court, and he has the following functions:

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- a. To represent the National Election Board in all its actions.
- b. To convene and chair the sessions of the Plenum, to direct the debates, and to maintain order during these debates.
- c. To carry out the decisions of the Plenum of the National Election Board.
- d. To execute the budget of the National Election Board.
- e. To exercise, in a collegial form with the directors of the National Election Process Office and of the National Identification and Civil Status Registry, authorship of the proposed budget for the Election System.
- f. To coordinate with the directors of the other Election System organizations.

Article 23

The Plenum of the National Election Board evaluates the facts in a conscientious manner. It resolves in a timely and appropriate manner, based on the Political Constitution of Peru, laws and general principles of law. Concerning election processes, referenda, or other popular votes, its resolutions are issued as the final authority, and are not subject to revision. No appeal or liability action may be filed against it.

Article 24

The quorum required for sessions of the Plenum is four (4) members. For adopting decisions or issing a ruling, the vote of a simple majority of the members present is required, except in cases in which the law stipulates otherwise. In the event of a tie, the president has the deciding vote.

Article 25

The Plenum of the National Election Board may deliberate in secret, but it shall issue its decisions publicly. Only members and, when necessary, alternates replacing members, may attend sessions of the Plenum, except as prescribed in the present article and in Article 27 of the present law. The director of the National Election Process Office and of the National Identification and Civil Status Registry may attend sessions of the Plenum and take part in its debates with the same rights as members of the Plenum, except for the right to vote. They also attend when they are invited to testify.

Article 26

Employees of the National Election Board shall be covered by the private sector's labor system. Jobs, whether permanent or temporary, will be filled by a public competitive process, except for positions termed "confidential," in accordance with current legislation, which shall not exceed 10 percent of the total number of employees.

Employees shall be subject to the disqualifications listed in sections b) and c) of Article 12 of the present law.

Article 27

The National Election Board will have a Secretary General who must be an attorney. In exercising his duties he assists with the jurisdictional work of the Board, acts as notary attesting to the decisions made, and is responsible for the agenda of the Plenum of the Board.

The Secretary General attends deliberations, but lacks the right to vote.

Article 28

The Internal Control and Auditing Office shall have responsibility for overseeing the administrative activity of the officials of the National Election Board and supervising their administrative work to ensure strict compliance with the regulations in force.

Article 29

The National Election Board, through an Internal Resolution, shall decide what advisory and support organs it needs.

Article 30

The conduct of its duties, its composition, the selection of its members, and relations with the organs that make up the National Election Board shall be defined in the Organization and Functions Regulation.

Chapter II: Temporary Organs

Article 31

Special Election Boards are organs of a temporary nature created for a specific election process.

Article 32

When an election process has been convened, the National Election Board will define the districts for which Special Election Boards will be created and their locations, and it will also notify the institutions listed in the following article so that they may appoint their representatives. The election districts and their locations may be amended for technical reasons, at the request of the National Election Process Office.

Article 33

Special Election Boards shall be composed of:

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- a. One (1) member appointed by the Superior Court in whose district the election is being held, to be chosen from among its retired or active magistrates. In the latter case, the person selected is granted a leave of absence. The member from the Superior Court chairs the Special Election Board. The Superior Court must in the same appointment action select an alternate member.
- b. Four (4) members appointed by the National Election Board through a random selection process in a public action from a list of twenty-five (25) citizens who reside in the location of the Special Election Board and who are listed in the National Identification and Civil Status Registry. The list used for this random selection will be prepared by a commission composed of three (3) members of the Public Ministry elected in accordance with the appropriate electoral regulations. The random selection process will determine the appointment of four (4) regular members and four (4) alternate members.

Article 34

The post of member of the Special Election Board is paid and may not be resigned except for a duly founded impediment. Compensation is equivalent to that of a member of the District Superior Court. In cases of death or impediment of the president of the Special Election Board, the alternate member named by the Superior Court will assume that post. In cases of death or impediment of a regular member, the first alternate member will assume the post, and so on in succession.

Article 35

For the purpose of regulations governing Special Election Boards, the rules governing the Plenum of the National Election Board concerning obligations, impediments, quorum, sessions, decisions, rulings, deliberation, invalidity, and votes shall be applicable.

Article 36

Special Election Boards shall have the following functions within their jurisdictions:

- a. To register and issue the credentials of candidates or slates of candidates;
- b. To issue the credentials of representatives of the groups that are participating in election processes, in referenda, or in other popular votes;
- c. To oversee the legality of the exercise of the ballot;
- d. To oversee the legality of the execution of election processes, of referenda, or of other popular votes;
- e. To ensure compliance with the resolutions and directives of the National Election Board, the regulations on political organizations, and other provisions related to the administration of electoral justice;
- f. To administer justice in electoral matters, acting as the first authority;
- g. To proclaim the results of the referendum or other type of popular vote conducted in that area;
- h. To proclaim the candidates elected through the election process;
- i. To issue credentials to the candidates elected through the election process in their jurisdiction;
- j. To declare, acting as the first authority, the invalidity of an election process, of a referendum, or other popular votes carried out in their area, when so required by law;
- k. To resolve criticisms made against the citizens selected as polling place workers;
- l. To refer questions of a generic character concerning the application of electoral regulations not related to specific cases to the National Election Board, if necessary;
- m. To report to the National Election Board violations of or crimes committed against electoral regulations by persons, authorities, officials, and government employees;
- n. To resolve any objections made during the voting and ballot counting in the polling places;
- o. To send the election results to the National Election Board;
- p. To administer the funds assigned to them;
- q. To appoint administrative personnel to carry out their work, in accordance with their budget;
- r. Before leaving their post, to submit a statement of their accounts and their budget report to the National Election Board, under the responsibility of their members;
- s. To approve or reject criticisms made against the inscription of candidates, political organizations, or options and to allow the recourses of appeal, review, or complaint that may be filed against their resolutions, by bringing these matters to the National Election Board;
- t. To exercise other duties within their jurisdiction.

Article 37

The positions of the members of the Special Election Boards shall remain in effect until the proclamation of the election of candidates and the issuance of their credentials.

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Title IV: Economic System

Article 38

The resources of the National Election Board shall consist of:

- a. Allocations granted to it by the General Budget Law of the Republic;
- b. Payments, allocations, bequests, donations, transfers, subsidies, and any other action of generosity, either in money or in kind, granted either by Peruvian or foreign individuals or companies, including resources which may come from international technical cooperation;
- c. Its own resources generated by actions within its jurisdiction, in accordance with the pertinent regulations.

Article 39

The regular budget of the National Election Board is presented to the Executive as a separate program within the budget proposed for the Election System. The budget of the National Election Board shall include the execution of all election processes with a fixed schedule, in accordance with the Political Constitution of Peru. Each election process must be clearly differentiated in the budget.

Article 40

The president of the National Election Board submits to the Executive the proposed budget for the Election System, including a separate listing of items sought for each organization. He defends this budget before the Executive and Congress, in accordance with the provisions of Articles 80 and 178 of the Political Constitution of Peru.

After the proposed budget for the Election System has been approved, the Executive shall order the direct transfer of the corresponding amounts to each of the organizations of the Electoral System.

The authorship of the proposed budget for the Election System is exercised in a collegial manner by the president of the National Election Board and the directors of the National Election Process Office and the National Identification and Civil Status Registry, with the attributions and responsibilities granted by law, without prejudice to those attributions and responsibilities which are incumbent upon the director of the budget program.

Article 41

When a special election process has been called, the Election System organizations shall submit their requested budget to the National Election Board. The National Election Board shall present this budget to the Executive within the period of seven (7) calendar days from the convening of the special election process.

The special budget will be devoted exclusively to the election process convened and, as an exception, it may be exempted from compliance with current budget regulations.

Article 42

After the election process has been concluded, resources remaining from the budget of each organization of the Election System shall be returned to the Public Treasury, under the responsibility of the supreme authority of each of these organizations.

Article 43

Except as stated in the provisions of Articles 14 and 34 of the present law, compensation for other officials and public servants, whether permanent or temporary, shall be established by the Plenum of the National Election Board, in accordance with current regulations.

Single Supplemental Provision

The rotating replacement of the members of the National Election Board referred to in Article 21 of the present law and the Ninth Final Provision of the Political Constitution of Peru shall begin two (2) years after the formal installation of the present Plenum of the National Election Board.

For the purposes of the provisions stated in the preceding paragraph, these replacements shall begin with the members elected by the Bar Association of Lima and by the Schools of Law of the public universities. Two (2) years after the first replacement, the second round shall take place with the members selected by the Supreme Court, the Board of Supreme Prosecutors, and the Deans of the Law Schools of the private universities.

Later rotating replacements shall follow the same order stated above.

Transitional Provisions

First Transitional Provision

The prohibitions listed in Article 12 of the present Law shall not be applicable and therefore shall not create an unforeseen impediment in relation to the present members of the Plenum of the National Election Board.

Second Transitional Provision

Until the Constitutional Tribunal begins to function, any disputes over jurisdiction referred to in Article 6 of

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the present law shall be resolved by the Constitutional Chamber of the Supreme Court.

Third Transitional Provision

The National Election Board shall comply with the provisions of the Constitution and the present law, using as a basis the structure, personnel, and documentary resources of the Presidency, the Office of the Secretary General, the Office of Electoral Affairs, The Office of Documentary Administration, the Technical Office of Planning and Budget, the General Office of Planning, the General Office of the Budget, the General Office of Rationalization, and the General Legal Advisory Office at the time of issuance of this law.

Fourth Transitional Provision

The National Election Board is hereby authorized to order the administrative and personnel measures that may be needed for its compliance with the provisions contained in the Constitution and in the present law, within a period which shall not exceed sixty (60) calendar days after the present law takes effect.

The National Election Board may apply a personnel reduction program based on:

- 1. A voluntary retirement program with incentives, which shall be subject to the following regulations:

- a. For workers not subject to the pension system of Decree Law No 20530;

-

Four (4) times the total monthly earnings, if the official or worker has a length of service exceeding one (1) year and less than five (5) years.

-

Eight (8) times the total monthly earnings, if the official or worker has a length of service exceeding five (5) years and up to ten (10) years.

-

Ten (10) times the total monthly earnings, if the worker has a length of service exceeding ten (10) and up to fifteen (15) years.

-

Twelve (12) times the total monthly earnings, if the worker has a length of service exceeding fifteen (15) years.

- b. For workers covered by the pension system established by Decree Law no 20530:

-

Recognition of three (3) additional years of service. This benefit may not be used to seek inclusion in the system established by Decree Law no 20530.

The total monthly earnings referred to in the present clause are the earnings received by the worker at the date of selecting the voluntary retirement program.

Within ten (10) working days following the publication of the present law, workers may choose the voluntary retirement program by submitting their resignations to the National Election Board, which reserves the right to reject such resignations.

Workers who retire voluntarily with incentives may not return to work in the public administration under any form or mode of engagement or any legal system within a period of five (5 years) from the date of their departure.

- 2. The National Election Board shall execute a qualification, training, evaluation, and selection program, which shall be subject to the following regulations:

After the expiration of the period allowed for the submission of voluntary resignations, the National Election Board shall conduct a personnel prequalification, integral evaluation, and selection program.

After this program has been concluded, workers who do not pass the required examinations and those who decide not to take these examinations shall be removed for reasons of personnel reorganization and readjustment, and shall have the right only to receive the compensation for length of service and other benefits to which they are entitled by law.

Workers who continue working after the rationalization process has been completed shall be automatically included under the provisions of Law No 4916 and other amending and related regulations.

Final Provisions

First Final Provision

The Organization and Functions Regulation referred to in Article 30 of the present law must be approved by the Plenum of the National Election Board within thirty (30) days after publication of the present law.

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Second Final Provision

All legal or regulatory provisions opposed to the present law are hereby repealed.

Third Final Provision

The present law shall take effect on the day following its publication in the DIARIO OFICIAL EL PERUANO.

To be communicated to the President of the Republic for promulgation.

In Lima, on the second day of the month of June of 1995.

JAIME YOSHIYAMA, President of the Democratic Constituent Congress

CARLOS TORRES Y TORRES LARA, First Vice President of the Democratic Constituent Congress

To the Constitutional President of the Republic.

Whereas:

I hereby order that this be published and obeyed.

Issued in the Government Office Building in Lima on the 17th day of the month of June, 1995.

ALBERTO FUJIMORI FUJIMORI, Constitutional President of the Republic

EFRAIN GOLDENBERG SCHREIBER, President of the Council of Ministers

Law on Office of National Election Process Published

95SM0423B Lima EL PERUANO (LEGAL SUPPLEMENT) in Spanish 21 Jun 95 pp 132535-13258

["Text" of Organic Law on Office of National Election Process]

[FBIS Translated Text]

Law No 26487: Organic Law on National Election Process Office

The President of the Republic

Whereas:

The Democratic Constituent Congress has issued the following Law:

Organic Law on the National Election Process Office

Title I: General Provisions

Article 1

The National Election Process Office is the supreme authority for the organization and execution of election processes, referenda, or other popular votes. It is an autonomous organization with legal status as a domestic government agency with technical, administrative, economic, and financial functions.

Article 2

The National Election Process Office has as its essential function to ensure the faithful and free expression of the people's will through election processes, referenda, and other types of popular votes for which it is responsible.

Article 3

The National Election Process Office, together with the National Election Board and the National Identification and Civil Status Registry, make up the Peruvian Election Systen, in accordance with the provisions of Article 177 of the Political Constitution of Peru. It maintains permanent coordination with these organizations, based upon their functions.

Article 4

The legal address and headquarters of the National Election Process Office shall be located in the capital of the Republic.

Title II: Functions

Article 5

The functions of the National Election Process Office are:

- a) To organize all election processes, referenda, and other popular votes;
- b) To design the ballot, election documents, forms, and all other materials in general, so that respect for the citizen's will shall be ensured in executing the processes for which it has responsibility;
- c) To plan, prepare, and execute all the actions necessary for the conduct of the processes for which it has responsibility, in strict compliance with the regulations in effect;
- d) To prepare and distribute to the Decentralized Election Process Offices the materials necessary so they can conduct the election processes for which they are responsible;

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- e) From the start of the ballot counting, to provide ongoing information on the vote count in the polling places and Decentralized Election Process Offices on a national level;
- f) To issue the instructions and provisions necessary for the maintenance of order and the protection of personal liberty during election periods;
- g) To issue the resolutions and regulations necessary for its operation;
- h) To disseminate by all types of publicity which it considers necessary the goals, procedures, and forms of the election process and of the processes for which it is responsible in general;
- i) To guarantee to citizens the right to vote;
- j) To coordinate with the National Identification and Civil Status Registry the preparation of voter registration lists;
- k) To receive from the National Election Board the duly authorized Voter Registration Lists;
- l) To obtain the results of the election processes for which it is responsible and to send them to the Election Boards;
- m) To receive and send to the National Election Board petitions for the inscription of candidates or options in national election processes for the issuing of credentials, while reporting on compliance with the formal requisites demanded;
- n) To review, approve, and monitor expenditures by the Decentralized Offices under its control, based upon their respective budgets;
- nn) To design and execute an operational training program for polling place workers and the citizens in general, during the execution of election processes;
- o) To evaluate technical assistance proposals from foreign organizations and to arrange and direct the execution of the projects selected in areas of their jurisdiction;
- p) To establish mechanisms enabling representatives of political organizations and monitoring organizations to monitor all activities during the election processes for which it is responsible;
- q) To exercise other functions within its jurisdiction.

Article 6

The instructions and provisions listed in clause f) of Article 5 of the present law are compulsory and are strictly binding upon the National Police and the Armed Forces.

Title III: Organic Structure

Article 7

The organic structure of the National Election Process Office is the following:

- a) Permanent Organs

- Top Management:

-

National Headquarters

-

Line Organs:

-

Election Information and Education Department

-

Election Management Department

-

Advisory and Support Organs

-

Control Organ:

-

Internal Control and Auditing Office

(blst)b) Temporary Organs:

-

Election Process Departmental Committee

-

Election Process Decentralized Offices

Chapter I: Permanent Organs

Article 8

The director is the supreme authority of the National Election Process Office. He is appointed by the National Council of Magistrates for a renewable term of four (4) years, through a public selection process. He is subject to the same disqualifications as those listed for the members of the Plenum of the National Election Board.

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He may be removed by the National Council of Magistrates for the commission of a grave fault. As a descriptive but not limiting list, a grave fault is considered the commission of actions which compromise the dignity of the office or discredit it in the eyes of the public.

Article 9

The following are prohibited from being selected as director of the National Election Process Office:

- a) Persons under the age of 45 or older than 70.
- b) Candidates for public elective office.
- c) Citizens who belong or who have belonged in the last four (4) years to a political organization, who hold leadership positions of a national character in political organizations or who have held such positions in the four (4) years preceding their candidacy for this position, or who have been candidates for public elective office in the last four (4) years.
- d) Members of the Armed Forces and the National Police in active service.

Article 10

Serving as director of the National Election Process Office is incompatible with any other public function, except part-time teaching. The director of the National Election Process Office may not resign during an election process, referendum, or other type of popular vote, unless there is a duly founded impediment.

Article 11

Serving as director of the National Election Process Office is a full-time and exclusive occupation. Compensation shall not exceed that of a member of the Supreme Court of the Republic.

Article 12

The director of the National Election Process Office shall have proven experience in administration and with computers.

Article 13

The director of the National Election Process Office is responsible for regulating, coordinating, and conducting the operations and organization of the National Election Process Office. He is responsible for creating or deactivating offices and appointing or removing personnel, based on the laws and regulations in effect.

Article 14

The following are causes of vacancy in the position of director of the National Election Process Office:

- a) Resignation, without prejudice to the restrictions contained in Article 10 of the present law;
- b) Death;
- c) Grave physical disability, either temporary, lasting longer than 12 months, or permanent; and proven mental disability;
- d) Unforeseen impediment;
- e) Removal by the National Council of Magistrates.

Article 15

It is the responsbility of the National Council of Magistrates to declare a vacancy in the position of director of the National Election Process Office, within a period not to exceed five (5) days in the cases listed in clauses a) and b), and within a period not to exceed thirty (30) days in the cases listed in clauses c) and d). The National Council of Magistrates shall appoint a replacement within forty-five (45) working days after the vacancy has been declared.

When the cause listed in the preceding article occurs during election processes, during a referendum or other popular vote, within a period not to exceed three (3) days, the official ranked directly below the director of the National Election Process Office shall assume this position on a provisional basis.

Article 16

Other officials and civil servants attached to the National Election Process Office shall be subject to the same disqualifications listed in Article 9, clauses b) and c), except when the law stipulates otherwise.

Article 17

The Election Information and Education Department shall be responsible for communications with Decentralized Election Process Offices and Election Boards, interinstitutional relations, a voter education, publicity, and orientation campaign, media relations, communications with citizens selected as polling place workers, and dissemination of the results.

Article 18

The Election Management Department shall be in charge of election process operations. It will handle the acquisition, preparation, distribution, and compilation of election materials, the selection of voting sites, the definition of equipment and programs for vote counting, the design of formats, the distribution of voter registration lists, and the random selection of polling place workers, and it will receive and coordinate the inscription of candidates or options and handle

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coordination with the Decentralized Election Process Offices.

Article 19

The Internal Control and Auditing Office will be responsible for oversight of the administrative work of officials of the National Election Process Office and for supervising their administrative work, to ensure strict compliance with the regulations in effect.

Article 20

The National Election Process Office, through an internal resolution, shall determine which advisory and support organs it needs.

Article 21

Employees of the National Election Process Office will be subject to the labor system covering the private sector. Jobs, whether permanent or temporary, will be filled by a competitive public selection process—except those considered "confidential" in accordance with current legislation, and such jobs shall not exceed 10 percent of the total number of workers.

Workers will be subject to the disqualifications listed in clauses b) and c) of Article 9 of the present law.

Article 22

The conduct of operations, the composition and selection of members, and relations with the organs that make up the National Election Process Office shall be defined in the institution's Organization and Functions Regulation.

Chapter II: Temporary Organs

Article 23

The Departmental Committee shall be in existence for each Election Process. It will be chaired by the Director of the National Election Process Office and made up of the election information and education director, the election management director, and another official selected by the supreme election authority. Its principal function shall be to coordinate operational activities for election processes, referenda, and other popular votes.

Article 24

Decentralized Election Process Offices will be set up for each election process based on the election subdivisions and type of election district used in the current process. The director of the National Election Process Office will establish the number, location, and organization of the Decentralized Election Process Offices, based on the election districts determined by the National Election Board.

Article 25

After prior coordination, the National Election Process Office may, if necessary, use the physical infrastructure and human resources of the National Identification and Civil Status Registry, for which purpose this Registry shall provide the maximum cooperation.

Article 26

Depending on the type of election and the number of voters, the Director of the National Election Process Office may request from the National Election Board a division or combination of specific election districts, in order to facilitate the election process work.

Article 27

Decentralized Election Process Offices shall have the following functions in their respective districts:

- a. To report to the Director of the National Election Process Office or to the person whom he shall designate;
- b. To execute the actions necessary for the conduct of election processes, of referenda, or other popular votes, in accordance with the directives of the National Election Process Office and with current election legislation;
- c. To deliver the documents and other materials necessary for counting ballots and disseminating the results to the appropriate polling places;
- d. To provide, from the start of the ballot counting process, continuing information on the vote count;
- e. To ensure compliance with the instructions and provisions necessary for the maintenance of order and the protection of personal liberty during the elections;
- f. To ensure compliance with the resolutions and directives of the National Election Process Office and other provisions relating to election matters;
- g. To guarantee to the citizen the right to vote;
- h. To obtain the results of processes being handled by the National Election Process Office and to send these results to the Election Boards and to the Information Department of the National Election Process Office;
- i. To receive and send applications for the inscription of candidates or options in its area and to communicate with the respective Election Boards for the issuing of credentials;
- j. Before leaving office, to submit account statements and budget execution reports to the National

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Election Process Office, under the responsibility of the members;

- k. To administer funds assigned to them;
- l. Acting in accordance with the law, to appoint polling place workers and to issue their credentials;
- m. To carry out their work, and, based on their budget, to propose to the National Election Process Office that the necessary personnel be hired;
- n. Determination of voting sites and distribution of polling places;
- nn. Installation of secret cameras and security inspections of the facilities used;
- o. To release publications related to the various phases of the election process, using suitable publicity materials in each locality;
- p. To exercise other functions within their jurisdiction.

Title IV: Economic System

Article 28

The resources of the National Election Process Office shall consist of:

- a) Allocations granted to it through the General Budget Law of the Republic within the budget proposed for the Election System;
- b) Payments, allocations, bequests, donations, transfers, subsidies, and any other action of generosity in cash or in kind which may be granted to it by either Peruvian or foreign individuals or companies, including those which may come from international technical cooperation;
- c) Its own resources generated by actions within its jurisdiction, in accordance with the appropriate regulations.

Article 29

The Ordinary Budget of the National Election Process Office is submitted by the National Election Board to the Executive Branch as a separate program within the budget proposed for the Election System. The president of the National Election Board defends the budget before the Executive and before Congress.

Article 30

The budget of the National Election Process Office shall cover the execution of all election processes with a schedule set by the Political Constitution of Peru. In the budget each election process must be clearly differentiated.

If a special election process is convened, the National Election Process Office shall send the budget requested to the National Election Board.

The National Election Board must present this budget to the Executive within a period of seven (7) calendar days from the convening of the special election process.

Article 31

The budgets intended for conducting election processes, as provided in the preceding article and in Article 29 of the present law, will be used exclusively for the election process convened and, as an exception, may be dispensed from compliance with the budget regulations in force. Their execution shall be the responsibility of the Director of the National Election Process Office.

Article 32

After the election process has been concluded, any resources remaining from the special budget must be returned to the Public Treasury, under the responsibility of the Director of the National ELection Process Office.

Article 33

Authorship of the budget proposed for the Election System is exercised in a collegial manner by the Director of the National Election Process Office, the President of the National Election Board, and the Director of the National Identification and Civil Status Registry, with the appropriate functions and responsibilties, without prejudice to those which are incumbent upon the director of the budget program.

Article 34

Except as stipulated in Article 11 of the present law, the compensation paid to other officials and civil servants, whether permanent or temporary, will be established by the Director of the National Election Process Office, in accordance with current regulations.

Transitional Provisions

First Transitional Provision

The National Council of Magistrates shall appoint the Director of the National Election Process Office within a period not to exceed forty-five (45) days after the present Law takes effect.

Second Transitional Provision

The National Election Process Office shall be organized based on the structure, personnel, and documentary resources of the National Election Board which, at the time of the issuance of the present law, relate to all those

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organs not listed in the Third Transitional Provision of the Organic Law on the National Election Board, Law No 26486.

Third Transitional Provision

The Director of the National Election Process Office is hereby authorized to order the administrative and personnel measures that may be necessary for his organization and for compliance with the provisions contained in the Constitution and in the present law, within a period which shall not exceed sixty (60) calendar days from the date the present law takes effect. The National Election Process Office may apply a personnel reduction program based on:

- 1. A voluntary retirement program with incentives, which shall be subject to the following regulations:
- a. For workers not subject to the pension system of Decree Law No 20530:

- Four (4) times the total monthly earnings, if the official or worker has a length of service greater than one (1) year and less than five (5) years;

-

Eight (8) times the total monthly earnings, if the worker has a length of service greater than five (5) and up to ten (10) years;

-

Ten (10) times the total monthly earnings, if the worker has a length of service greater than ten (10) and up to fifteen (15) years;

-

Twelve (12) times the total monthly earnings, if the worker has a length of service greater than fifteen (15) years.

- b. For workers subject to the pension system established by Decree Law No 20530:

Recognition of three (3) additional years of service. This benefit may not be used to seek inclusion in the system created by Decree Law No 20530.

The total monthly earnings in the present clause are the amount the worker receives at the date he chooses the voluntary retirement program.

Within ten (10) working days following the publication of the present law, workers may choose the voluntary retirement program by submitting their resignations to the Commission, and the Commission shall reserve the right to reject such resignations.

Workers who retire voluntarily and receive incentives may not return to work in the public administration under any form or mode or engagement or legal system within a period of five (5) years from the date of their departure.

- 2. A qualification, training, evaluation, and selection program, which shall be subject to the following regulations:

After the expiration of the period allowed for the submission of voluntary resignations, the Director of the National Election Process Office will execute a program of prequalification, integral evaluation, and selection of personnel.

After this program has concluded, workers who do not pass the required examinations, and those who decide not to take such examinations, will be removed for reasons of personnel reorganization and readjustment, and shall have the right only to receive the compensation for length of service and other benefits to which they are entitled by law.

Workers who continue working after the rationalization process has been completed will be automatically included under the provisions of Law No 4916 and other amending and related regulations.

Fourth Transitional Provision

The National Election Process Office is responsible for the Election Registry, fundamentally for keeping up-to-date the voter registration list until the National Identification and Civil Status Registry begins to operate. During that period, the National Election Board shall oversee the legality of the preparation of voter registration lists, in accordance with the provisions contained in the Constitution and the law.

Final Provisions

First Final Provision

The Organization and Functions Regulation referred to in Article 22 of the present law must be approved by the Director of the National Election Process Office within thirty (30) days of his appointment.

Second Final Provision

All legal or regulatory provisions opposed to the present law are hereby repealed.

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Third Final Provision

The present law shall take effect on the day following its publication in the DIARIO OFICIAL EL PERUANO.

To be communicated to the President of the Republic for promulgation.

In Lima, on the second day of the month of June 1995.

JAIME YOSHIYAMA, President of the Democratic Constituent Congress

CARLOS TORRES Y TORRES LARA, First Vice President of the Democratic Constituent Congress

To the Constitutional President of the Republic.

Whereas:

I hereby order that this be published and obeyed.

Issued in the Government Office Building in Lima on the 17th day of the month of June, 1995.

ALBERTO FUJIMORI FUJIMORI, Constitutional President of the Republic

EFRAIN GOLDENBERG SCHREIBER, President of the Council of Ministers

Venezuela

Reportage of Tear Gas Bomb Blast on Political Rally

Rally Marred by Blast

PA1308030795 Paris AFP in Spanish 0127 GMT 12 Aug 95

[FBIS Translated Text] Barquisimeto, Venezuela, 12 Aug (AFP) — At least 28 persons were seriously injured in a stampede Saturday night when a tear gas bomb exploded during a political rally held in a stadium attended by 10,000 supporters of President Rafael Caldera's political party, police authorities have reported.

The bomb was placed inside an air-conditioning unit and exploded when National Convergence supporters applauded the mayoral candidates for the coming December regional elections.

When the bomb exploded — in what is considered the first attack against the ruling party in this city, 260 km west of Caracas — hundreds of people rushed the stadium doors, causing 28 individuals to fall and sustain various injuries.

The incident occurred in the Bolivarian Dome, which has an 8,000-person seating capacity, although the political rally had some 2,000 more than capacity.

Police Investigate Gassing of Assembly

PA1308201995 Mexico City NOTIMEX in Spanish 1552 GMT 13 Aug 95

[FBIS Translated Text] Caracas, 13 Aug (NOTIMEX) — Venezuelan police today launched an investigation into the tear gas sabotage of a National Convergence Party assembly that resulted in the injury of 40 people.

According to a report the authorities released, one of the injured is the son of President Rafael Caldera, Juan Jose, who had to be given first aid treatment with oxygen. Juan Jose Caldera is a National Convergence Party coordinator.

The incident took place on 12 August at 1700 hours (2100 GMT) at the Bolivarian Dome (coliseum) in Barquisimeto, 351 km west of Caracas, where more than 10,000 Convergence members had gathered to participate in this party's second general assembly.

The Convergence Party has disclosed that several unknown individuals had thrown at least six tear gas canisters inside the site where party members were gathered causing great chaos inside the building.

The police reported at least 40 people had been injured as a result of the confusion that broke out inside the Bolivarian Dome when party members desperately attempted to rush out into the streets to avoid the effects of the tear gases.

Convergence Party leaders have announced that the injured were taken to the Barquisimeto Hospital and that only 10 were still being treated today, Sunday.

Party Coordinator Miguel Lopez Ruiz has described the sabotage as a "criminal attack by unscrupulous individuals."

"We condemn this criminal act coming from those who oppose us and who in their desperation have turned into criminals before the very eyes of the country," Lopez Ruiz has said.

Government Condemns Gassing

PA1308202095 Mexico City NOTIMEX in Spanish 1854 GMT 13 Aug 95

[FBIS Translated Text] Caracas, 13 Aug (NOTIMEX) — The Venezuelan Government today condemned yesterday's tear gas sabotage of the second assembly of the National Convergence party in Barquisimento.

"All Venezuelans condemn this stupid attack," stated a communique issued today by the Presidency and warning that those responsible will be severely punished.

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It has asked that events that took place in the city of Barquisimeto, 351 km west of this capital, not be allowed to become a reason for hard feelings nationwide.

The government "is assuring all citizens and organizations of their legitimate right to take part in electoral activities," the communique stated.

The communique expressed confidence that Barquisimeto was an isolated event within the framework of the political campaign aimed at December's municipal and regional elections.

According to police reports, the sabotage left 40 people injured and asphyxiated, but they are out of danger now.

The incidents took place the afternoon of 12 August in the Bolivarian Dome (coliseum) in Barquisimeto, Lara State, where more than 10,000 people were celebrating the second assembly of the ruling National Convergence party.

Hours after the political event got under way, unidentified individuals hurled several tear gas canisters, causing chaos due to the sudden stampede to get out.

National Convergence party leaders have described the incident as a "criminal attack by unscrupulous people."

Finance Minister Meets With Parliamentary Faction Leaders

PA1108163595 Caracas Venezolana de Television Network in Spanish 1550 GMT 10 Aug 95

[Report by Franklin Villasmil and Melisa Soto from "The News" newscast — passages within quotation marks recorded]

[FBIS Translated Text] [Villasmil] Finance Minister Luis Raul Matos Azocar has met with parliamentary faction leaders and has explained the executive branch's need to create new payment mechanisms to comply with the country's domestic and foreign debt commitments.

[Soto] The finance minister has met with Finance Committee members and various political faction leaders for approximately three hours to present information on the flow of cash, foreign debt service commitments, and the financing program to meet these commitments until year's end. The estimated amount is 4 billion bolivares, 179 billion for the foreign debt alone.

To fulfill these commitments, the executive branch has requested the authorization to issue 254 billion bolivares in treasury bonds and 144 billion bolivares in notes, but this has not been approved:

[Matos] "We have accrued debt payments and are striving to catch up with these debt payments. Both Congress and the government must adopt decisions that allow us to catch up, because that is the way to open the doors of foreign markets and to guarantee that the documents of the next government placed in the domestic market will be well received."

[Soto] Even though all have agreed that there is a political will and that this first meeting was quite positive, the various party representatives will have to analyze these options with their party directorates, but they do not fail to recognize that the situation is difficult:

[Rodrigo Cabezas, Movement Toward Socialism deputy] "Critical. It compels us to authorize the government to obtain the authorization and to find the resources, in bolivares and legally, that allow us to fulfill our commitments regarding deadlines and debts.

[Jorge Roing, Radical Cause Party deputy] "The Radical Cause has always said the country cannot continue to run up its debt irresponsibly. We have refused to approve additional credits irresponsibly requested or without Congress' authorization.

[Jose Miguel Uzcategui, National Convergence deputy] "We must be optimistic. Venezuela continues to pay its debt. Venezuela will require more opportunities in the foreign markets, and it must use idle resources available in the domestic finance system."

Central Bank Director Cited on Reserves, Brady Bonds

PA1108230495 Caracas EL UNIVERSAL in Spanish 5 Aug 95 p 2-1

[Report by Carmen Carrillo]

[FBIS Translated Text] Domingo Felipe Maza Zavala, Central Bank of Venezuela [BCV] director, believes that this year the amount of reserves could be slightly less than the amount of reserves we had in late 1994, but the difference is not what we could describe as alarming.

We are talking about, perhaps, a balance of payments deficit that could fluctuate between $800 million and $1 billion, according to estimates, he said.

This means, according to what the economist explained, that the actual drop in reserves was 10.4 [not further identified]; that is, they dropped by $1.196 billion. This is possibly the only drop in international reserves.

During the rest of the year, the government will implement more strict measures to prevent this situation from reoccurring, Maza pointed out.

President Rafael Caldera's adviser on economic policies recognized that there were several factors affecting the amount of BCV monetary reserves in 1995, especially

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after the recovery we experienced during the second half of 1994.

We have noticed that the reserves have relatively declined this year, he underscored, adding that first, the demand for foreign exchange for imports has evidently increased this year either because we are experiencing a slight economic recovery, as the Cordiplan [Office of Coordination and Planning] minister has said, or because it has become cheap to import.

Maza explained that there are ways to make imports cheaper: one way is the real interest rate, which is a negative rate in terms of the inflation rate, and this is a significant element.

The other element is the exchange rate itself, which we have to recognize that, according to the inflation rate, it gives us an additional purchasing capacity abroad. As for this capacity, there are still expectations for a devaluation, regardless of the official announcements that the exchange rate will not change, at least for this year.

However, the economic agents still believe that there will soon be a decision made in this regard. It is a simple expectation, he recognized, but it affects the import demand. Of course, keeping inventories of imported merchandise above the normal or necessary operation level constitutes an investment, which, in view of the inflation rate, is an economically sustainable alternative. This is in reference to the import demand.

Now, the BCV president added, regarding other types of foreign exchange demands, we understand that there was an emphasis on the demand of travelers, especially traveling businessmen, who took advantage of the situation, and tourists, albeit to a lesser extent.

The foreign exchange demand peaked in April and May, but with the correction being made with the trips to Europe and other distant places, with the larger demands, and with the reduction of permits [cupos] for traveling businessmen, we hope the foreign exchange demand will be readjusted. He admitted that the country also has the need to make other payments abroad, such as servicing the public and private foreign debt.

Sometimes, payments accumulate in certain months of the year; other times, this burden is mitigated due to the debt payment plans. In addition to all these reasons, at the beginning of the year, oil prices went up slightly, thus increasing the flow of oil revenues. Right now, however, oil prices have stagnated. We hope that it is a temporary stagnation and that oil prices will soon recover. We will have to consider this aspect in an overall analysis on the factors affecting the level of reserves.

I hope the also member of the Exchange Administration Board hopes that these estimates will be corrected according to the data that will be released in the next few months. [sentence as published] We hope these data will be favorable.

[Carrillo] In other words, the Brady Bonds are not part of the chain of factors triggering the drop in reserves, are they?

[Maza] No, no, no. At this time, I do not believe the Brady Bonds are adversely affecting the controlled exchange market and the amount of reserves. Let us await the future Brady Bonds operations, which are growing a great deal. Evidently, the volume of stock market transactions is increasing, and we have to observe it as well. We also have to observe what will be the destination or what is the destination of the revenues in bolivares the sellers of Brady Bonds are making.

If these revenues are made through the purchase of dollars by means of the controlled market, we have to pay attention. However, we do not have any indication so far that this is the case.

[Carrillo] Do you not have information that people are renting Brady Bonds, selling them, and getting bolivares, and the next day, they returned the bonds, pay the rental charge, and are left with a surplus of bolivares, with which they then purchase dollars?

[Maza] I believe that we have to observe all these events. We cannot deny them or affirm them. The Brady Bonds market is simply under observation. I believe that an official guideline on this matter will soon be issued, thus allowing an explanation of the issues that are currently kind of hanging in the air. However, there will not a reason for concern about the Brady Bonds in this regard.

Guyana

Ministers Benefit From 300-Percent Pay Increase

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[FBIS Transcribed Text] Georgetown, Guyana, Aug 11, CANA — Government ministers will benefit from a wage hike of around 300 percent as the Jagan administration moves to upgrade the meagre salaries paid to cabinet members.

According to an order presented to parliament Thursday under the Ministers, Members of the National Assembly and Special Offices (Emoluments) Act, the wage hike will become effective from January 1, 1995.

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Senior ministers in the cabinet presently receive GUY39,119 a month and junior ministers, GUY29,000 per month (1GUY:.007 US cents).

Prime Minister Sam Hinds will now receive GUY75,000 per month, senior ministers will be paid GUY64,000 per month and every other minister other than a minister of state, will receive GUY56,000 per month.

The new order stipulates that speaker of parliament Derek Jagan, brother of president Dr. Cheddi Jagan, will be paid GUY56,000 per month and deputy speaker, attorney-at-law Arthur Alexander, approximately GUY20,000 per month.

Opposition leader Desmond Hoyte will be paid at the same level as the speaker while the government's chief whip and the main opposition party's chief whip will receive the same remuneration as the deputy speaker of parliament.

Members of parliament will also receive GUY15,000 per month compared with the GUY2,500 they received in the past.

The People's Progressive Party/Civic (PPP/Civic) cabinet had approved the new wage structure some time ago, but sources told CANA that concerns over public response to the wage hike caused the government to delay implementation.

The Guyana government has been arguing for some time that the salaries of its ministers bear little resemblance to those of their counterparts in the region.

Editorial Decribes Economy's Trend 'Encouraging'

FL1108153095 Bridgetown CANA in English 1449 GMT 11 Aug 95

[All quotation marks as received]

[FBIS Transcribed Text] Georgetown, Guyana, Aug 8, CANA — Following is the text of an editorial in Friday's Stabroek News newspaper:

"The report by the Bank of Guyana on the economy for the first half of this year that was recently circulated provides timely information on the state of the economy. Gross output for the first half of the year is estimated to have exceeded that for the first half of 1994 though final production data are incomplete. "The traditional sectors of sugar, rice, gold and forestry are mainly to account for this, and even with some plateauing in these sectors the budgeted growth target of 6.3 percent remains attainable." Bauxite still faces major problems, partly due to low prices on the world market, though if the joint venture Aroaima operation is included production is estimated at 6.8 percent higher in the first half of 1994.

The report says inflation "has slowly begun to decline on a year-on-year basis toward single digits". It says official estimates on the trend in prices for 1995 reveal that the consumer price level in Georgetown rose by 4.5 percent during the first six months. The experience of many residents of the city does not support this given substantial increases in the price of rice, a staple food, and rentals continue to be as high as ever. It would be useful for the Bank of Guyana or the Bureau of Statistics to publish up to date price figures on a wide basket of goods and services including housing and transportation costs which have also increased.

Figures to May 1995 show an increase in imports but this is reportedly due to some extent to an expansion in the Public Sector Investment Programme (work on infrastructure). But exports were up more and both trade and current accounts of the balance of payments continued to improve.

The report says the forecast for the remainder of 1995 is encouraging and large foreign investors are making new investments, some as joint ventures. We are aware of the quarry project in which some new investment has been committed and Omai is expanding its mill because of problems with the hardness of the ore. What other new investments is the report referring to?

Most businessmen confirm that economic activity has been slow for some time and that sales are down. This has not been a good year so far for many local manufacturers. The report says there was some growth in production of consumer semi-durables reflecting in part a reduction in slack at Guyana Refridgerators Limited. Garment production also increased though "performance in other manufacturing industry was mixed, with output in the beverage industry somewhat lower than the corresponding period last year". Most service industries have been having a bad year.

The economy has continued to benefit from investments and changes (sugar, gold, rice) made some time ago. It needs more investment now and one wonders if Go-Invest is producing any results. By a sidewind, so to speak, there may be more investment in Demerara Timbers Limited from the new owners though probably not until next year. The government needs to continue to encourage agricultural investment (how long will the rice prices hold?) as well as to push for new investment in other areas. Otherwise, the growth rate will be difficult to maintain."

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